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OPE year in review • Industry outlook

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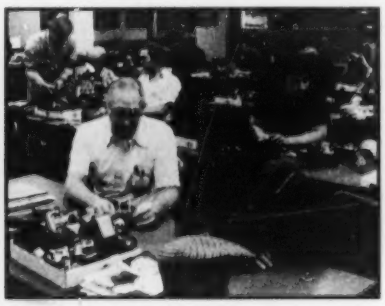

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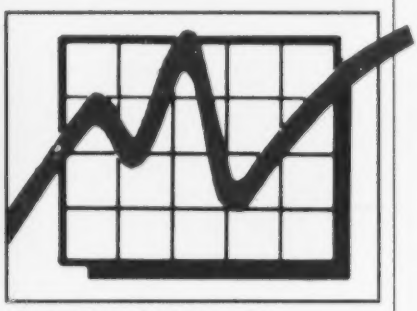

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Battery-power set to charge retail sales

A new generation of battery-powered cordless tools is charging onto the lawn and garden scene with the goal of making lawn chores easier and more convenient than ever before. 6

Market Data 1989

This issue is a compilation of shipment figures, consumer demographics and economic forecasts. From interviews with leading manufacturers, industry reps and retailers, *LGM* presents economic evaluations of 1989's events and makes projections for the '90s. Many of the articles include consumer demographics from the *1988 Study of Media and Markets* published by Simmons Market Research Bureau. The study is based on 19,000 households and measures the likelihood of one demographic group over another to be purchasers or owners of a particular product.

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Did you know?

At a value of $8,177, per capita retail sales are greatest in New England. The region comprised of Kentucky, Tennessee, Mississippi and Alabama is the lowest at $5,595 per capita retail sales.

Source: State & Metropolitan *Retail Forecast 1989-1993* Economic Perspectives Inc.

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From the Editor

From the photo above, could you identify which person is most likely to be your customer? That's a tough question, but it's one you'll have to answer correctly more often in the future.

Demographics help us understand which type of person is most apt to buy certain products. You probably already know, for example, that an avid gardener is most likely 55-64 years old, married, part of a one-income household and a homeowner with children. You probably already know that a typical snowthrower buyer most likely is between the ages of 55-64, male, married and lives in the Midwest or Northeast. This information typically can be gleaned from visual observations of the customers who enter your store.

But demographics offer more than meet the eye. Thanks to some new research by Standard Rate & Data Service, Wilmette, Ill., we now also know that avid gardeners are most likely to list among their other interests: home furnishing/decorating, home workshop, sewing, grandchildren, wildlife, collectibles/collections and crafts. Consumers who list gardening as their No. 1 lifestyle also are more apt to work crossword puzzles, make real estate and stock/bond investments, walk for their health and enjoy photography. They are least likely to play tennis or ski, own motorcycles, enjoy career-oriented activities or make a purchase with a bank credit card.

According to research by Simmons Market Research Bureau Inc., New York City, the candidate more likely than average to buy a snowthrower has attended or graduated college, is employed full-time as a manager, has an annual household income greater than $30,000 and owns his own residence valued in excess of $60,000. His children are most likely to be between the ages of 12 and 17. He is least likely to be younger than 34 years of age, single or divorced.

Information of this kind is invaluable in targeting people *most likely* to be your customers. And knowledge of their interests—outside lawn and garden—tell you what other activities vie for their discretionary dollars and time. Access to such information can help preserve valuable advertising dollars so you don't waste your efforts advertising, marketing to or reaching the people who are *least likely* to be lawn and garden customers.

Putting this knowledge into action might mean you advertise in the crossword section of the newspaper, "Free Pumpkin for All Grandchildren Accompanied by Grandparents" or a snowthrower promotion in a local business journal—rather than just on the sports pages. The information might even suggest possible allied lines to add to your inventory.

As competition heats up, pitting lawn and garden retailers against each other and against other leisure industries for the consumer dollar, demographics will play an increasingly important role in the success of a business. Your challenge is to turn such information to your advantage. Don't get caught with the wrong crowd.

Susan L. Anderson

Lawn&Garden Marketing

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EDITORIAL
Susan L. Anderson, *Editor*
Wendy A. Bishop, *Associate Editor*
Steven A. Stone, *Editorial Assistant*
Dr. Frank A. Viggiano Jr., *Products Consultant*
Dale Graves, *Editorial Contributor*
Jane Forman Cigard, *Editorial Contributor*
Ian Baldwin, *Editorial Contributor*
Adele Rogers, *Editorial Contributor*
Kevin Callahan, *Creative Director*

MARKETING
Brian Agnes, *Marketing Director*
Sharon Conradt, *Marketing Assistant*

ADVERTISING
Dee Unger, *Ad Business Manager*
Sonja R. Shaffer, *Ad Coordinator*
(Regional sales offices listed on classified page.)

CIRCULATION
Charles Rash, *Corporate Circulation Director*
Sandra Stewart, *Circulation Director*
Julie Neely, *Circulation Coordinator*

ADMINISTRATION
R.J. Hancock, *President*
Ron Wall, *Group Vice President*
Larry Throckmorton, *Associate Publisher*

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OPE sales outlook

By Susan L. Anderson, *editor*

Heavy consumer advertising by both manufacturers and dealers, coupled with more cautious ordering by dealers, helped reduce inventories left over from the 1988 Drought and boost ratings of the 1989 spring/summer selling season. Although 53 percent of OPE dealers rated the overall 1989 selling season good or excellent, reviews of specific product categories were still mixed.

Results from the August 1989 *Lawn & Garden Marketing* survey, for example, showed sales of walk-behinds increased, according to 41 percent of the respondents, but decreased according to 32 percent. Sales of riders, lawn tractors, garden/utility tractors and tillers all were marked with similar increases and decreases.

Probably the biggest factor contributing to the mixed reports is that dealers were asked to compare 1989 to 1988. To report an increase, dealers would have had to exceed 1988 sales levels. That may have been a hard act for some to follow. Record sales early in the '88 season helped many dealers experience an excellent year before drought conditions set in.

Factors contributing to decreased sales in 1989 included the weather during peak selling months of March-June, equipment prices and the economy.

March made headlines for its tropical heat wave nationally, and dryness continued for most of the country during that month. The Southwest recorded its hottest April ever. During that same month, the East experienced freezing temperatures. Meanwhile, drought conditions continued in the Midwest.

In May, the severe to extreme long-term drought prevailed from Colorado to Wisconsin. But by June, the country seemed to be experiencing either record rainfalls or continued drought. Those dealers located in the wet states explained increased sales, "Rain, rain and more rain. Anything to cut grass sold." And dealers trapped in drought-stricken areas explained simply, "When it doesn't rain, we don't sell much."

But equipment prices—or what many dealers describe as stickershock—also played a role as well. Prices, reflecting increased costs of raw material and labor at manufacturing levels, contributed to the repair, rather than replace, attitude among consumers. Said one dealer, "Most people had their mowers repowered or repaired, [saying] 'It's cheaper than a new one.' "

Housing starts—one of the industry's most powerful indicators— continued to decline, and OPE sales nationally reflected that trend.

Doubtless, OPE sales in the '90s will be marked by more cautious ordering by dealers. Many dealers will be decreasing the volume of their initial orders and reorder as necessary. This will place much of the burden on distributors and manufacturers to fill reorders quickly.

For 1990, many dealers will be concentrating on fewer lines, thereby, reducing the number of different lines they currently offer. Recent company acquisitions by manufacturers—allowing them to extend current offerings or expand into other related fields, like into commercial and hand-held power, for example—may enhance their positions with these dealers.

When asked if any changes in 1990 inventory would be made, 41 percent of power equipment dealers said they planned to increase inventory of walk-behinds and lawn tractors; 47 percent said riders and garden/utility tractor inventories would stay the same.

Other marketing strategies that will come into play in 1990 include:

- greater emphasis on consumer advertising, reflecting a greater need for and use of co-op dollars;
- increased focus on marketing to the commercial business segment; and
- more emphasis on product knowledge and service.

In general, the '90s should present greater marketing opportunities for the industry since a large percentage of Americans are entering their prime equipment-buying years. A key market segment for power equipment is the consumer group ranging in age from 45-65. This group has both the time and money to spend on equipment and is more quality than price conscious. The good news for retailers of those product lines is that census statistics show the group of Americans aged 45-64 will grow by 35 percent in the next decade, signalling what could be a successful decade of OPE sales. **—LGM**

Consumer profile

Read as "(Consumer) more likely than average to own product."

Riders/tractors

	% above average
Age group	
45-54	+37
Level of education	
Graduated high school	+07
Geographic location	
Midwest	+61
Household income	
$60,000 or more	+49
$50,000 or more	+46

Garden tractors

	% above average
Age group	
35-44	+49
Level of education	
Graduated high school	+13
Attended college	+13
Geography	
Midwest	+60
Household income	
$60,000 or more	+64
$50,000 or more	+67

Source: Simmons Market Research Bureau 1988
Base group: Adults

Information for this article was derived from the Outdoor Power Equipment Institute, Consumer Research Center, Conference Board, U.S. Bureau of the Census, and August and September *Lawn & Garden Marketing* surveys of outdoor power equipment retailers. For more information on the retail sales study, contact OPEI at 341 S. Patrick St., Old Town Alexandria, VA 22314. The SMRB study is copyrighted and cannot be reproduced or distributed in any way without written permission from the company. For more information on the complete study, contact Warren Dobbe, Simmons Market Research Bureau, 380 Madison Ave., New York, NY 10017.

Portable increases

By Wendy A. Bishop, *associate editor*

After a slow start during the first few months of this year, the portable power equipment industry seems to have recovered from the 1988 Drought. Most manufacturers reported shipment increases, and retailers tallied more sales.

Weather was to blame for both slower shipments and retail sales early in the year. "People didn't have to use equipment until mid-May in the East," says Don Weakley, executive vice president, Snapper Power Equipment, McDonough, Ga. "Some of the best part of the season was missed."

Blower category leads pack

Hand-held blowers were expected to finish 1989 with an 18 percent increase in shipments, according to Portable Power Equipment Mfrs. Assn. estimates.

Carl Mikovich, president of Poulan/Weed Eater, Shreveport, La., says while blower shipments through August at his company ran ahead of that figure, the industry as a whole was not doing as well. He does anticipate, however, that by year end, industry figures should reach PPEMA estimates.

Gale Sanders, director of marketing for Homelite Div. of Textron Inc., Charlotte, N.C., agrees and says his company, too, is running ahead of the 18 percent figure.

Industry representatives generally agree that the hand-held blower market is the fastest growing segment of the portable power industry, and many manufacturers anticipate shipment increases in 1990.

"If it's done right, the hand-held blower market could grow 15-20 percent each year for the next several years," says Mikovich.

Sanders agrees and compares the increase in blower sales to the boom in microwave ovens. "Once you have one, you can't imagine how you got along without it." He anticipates that the blower market could mature to the size of the trimmer market.

Trimmer market remains strong

Trimmers received much of the attention from retailers in this year's portable power market. According to an August 1989 *Lawn & Garden Marketing* study, 52 percent of the hardware/home centers, mass-merchants and power equipment dealers who responded said spring/summer sales of gas trimmers increased over 1988 figures. This compares to 32 percent who said sales increased in 1988 vs. 1987.

Steve Moore, director of advertising and sales promotion for Homelite, says although the gas trimmer market is very competitive, his company's unit shipments increased.

Another manufacturer was more reserved about shipments. "The industry was down [in shipments] due to a major inventory correction at retail level," says Mikovich. PPEMA estimates put 1989 shipment increases at 4 percent, but Mikovich says he thinks manufacturers will "have to rush to catch up" to that number.

The majority of hardware/home center, mass-merchant and power equipment dealer respondents to a September 1989 *LGM* survey indicated they planned no changes in their portable power inventories. Of the categories they did plan to increase, 49 percent said gas blowers/vacs and 47 percent said gas spin trimmers. Twenty-nine percent of the respondents also plan to increase gas chainsaw inventories.

A possible explanation for the increase in chainsaw inventories is the onslaught of natural disasters. After Hurricane Hugo hit the Southeast, Moore says Homelite shipped huge numbers of chainsaws. "We had a fantastic fall in the chainsaw category," he says. Fires in Western states also fueled chainsaw sales.

Generator shipments and sales also received a boost from Hugo and the earthquake in San Francisco. "People are realizing that a generator is a good investment that can pay for itself quickly," says Sanders. Moore adds that Homelite had excellent unit sales and dollar volume growth and is now "literally sold out of generators nationwide."

Mikovich says the fact that his retailers "sold more than they took in from [Poulan/Weed Eater]" could be one reason retailers plan to increase portable power inventories. His figures show that retail inventory levels are much lower this year than at the same time last year.

"From a manufacturers standpoint, I'm looking for a strong first quarter in 1990," says Mikovich. "Retail inventory needs to be replenished."

Jim Jenkins, Snapper national sales manager, says his firm also is expecting a strong 1990. "After retail sales that rebounded considerably in June, July and August, we're off to a much stronger start for the 1990 year than in either '88 or '89," he says. —LGM

Consumer profile

Read as "(Consumer) more likely than average to own."

Gas trimmer

	% above average
Age group	
35-44	+32
45-54	+34
Geographic location	
Midwest	+29
Household income	
$60,000 or more	+65
$50,000 or more	+57

Gas chainsaw

	% above average
Age group	
35-44	+30
Geographic location	
Midwest	+34
Type of area	
Non metro	+35
Household income	
$60,000 or more	+38
$50,000 or more	+35

Source: Simmons Market Research Bureau 1988
Base: Adults

For more information, contact the Portable Power Equipment Institute, 4720 Montgomery Lane, Ste. 514, Bethesda, MD 20814, (301) 652-0774. The SMRB study is copyrighted and cannot be reproduced or distributed in any way without written permission from the company. For more information, contact Warren Dobbe, SMRB, 380 Madison Ave., New York, NY 10017, (212) 916-8900.

Packaged sales mixed

By Wendy A. Bishop, *associate editor*

The key word used to describe the fertilizer business over the last three years is flat. Manufacturers' shipments of pesticides, fertilizers and soil amendments remained flat in 1988 at $2 billion; pesticides accounted for more than half the total, according to *Consumer Markets for Pesticides and Fertilizers: 1988 Update* by Kline & Co. How 1989 compares remains to be seen; data currently is being compiled.

"It's been several years since [the industry has] had a good gardening year," says Dwight Maloney, product manager-fertilizers for Ortho Consumer Products, San Ramon, Calif. He says, "1988 was a terrible weather year. We thought 1989 might be a comeback, but weather was still a major factor." While some areas of the country experienced continued drought conditions, other regions had as much as four times above normal rainfall, according to the National Weather Service.

After the negative affects the 1988 Drought had on fertilizer sales, both retailers and manufacturers were looking forward to a better year in 1989. But again, the weather didn't cooperate. In response to a September 1989 *Lawn & Garden Marketing* survey, one mass-merchant in Ohio said, "Spring was terrible. We lost $30,000. Summer picked up, but [we are] still overstocked in patio and fertilizers."

Some manufacturers reported shipments up. Maloney reports Ortho's liquid fertilizer shipments are up 15 percent—new packaging may have contributed to this growth—and dry specialty products increased about 2 percent. Horace Hagedorn, CEO, Stern's Miracle-Gro Products Inc., Port Washington, N.Y., reports a 23 percent increase, partially due to extensive advertising.

In general, however, manufacturers agreed that the spring/summer season was not the smash they had hoped for.

While retailers in some regions of the country struggled with sales early in the season due to cold, wet or late springs, others experienced beautiful weather. Gene Wright, general manager for Greenview Lawn and Garden Products, Lebanon, Pa., says some were able to recover by late spring/early summer, which carried over into the fall.

In response to an August 1989 *LGM* survey, 51 percent of the hardware/home centers, independent garden centers and mass-merchants said 1989 spring/summer sales of granular fertilizers were up over the same period in 1988. Of herbicides, 59 percent of the respondents said sales were up.

Respondents were equally divided on whether sales of liquid and soluble fertilizers increased or remained the same, while the majority of respondents said sales of specialty fertilizers remained flat.

According the Kline study, the growth in the value of consumer pesticides and fertilizers is expected to come from price increases rather than actual expansion in product volume.

Maloney substantiates this. "Fertilizer sales are not keeping up with inflation as far as dollar volume," he says. He adds that moderate growth may be seen in 1990.

Wright is more positive about the '90 season and says pre-season bookings are already up over last year. He predicts overall sales volume increases in all categories at Greenview next year.

"Retailers are carrying over more merchandise than they want to," says Hagedorn. "Opening orders are smaller, more conservative, but that doesn't mean dealers and distributors don't have enthusiasm for sales. I'm optimistic, but after a slightly disappointing 1989, the industry is going to be a little more cautious."

One product category that has gained more attention includes natural, organic-based, biological and safe products. Alternative pesticide shipments could reach $1-2 billion within 10 to 15 years, according to a study by Frost & Sullivan. Titled *The Impact of Biotechnology on Pesticides in the U.S.*, the study says retail sales of pesticides reached $4.6 billion in 1988; estimates call for slight increases by 1993 when the market is projected to be $5.35 billion.

Julia Hodge, consultant, Kline & Co., says although she thinks the estimate is on the high side, it is possible. "Many active ingredients in chemical pesticides will become restricted or unavailable during the next 10 to 15 years," she says. "Many companies are researching biological products. There is great potential for growth."

Industry growth in 1990 is most dependent on one major factor that is completely uncontrollable: the weather. Maloney says, "If we had a really good year weather-wise, we might be able to have a really good season." **—LGM**

Consumer profile

Read as "(Consumer) more likely than average to have spent $20 or more in the last 12 months."

Lawn fertilizer

	% above average
Level of education	
Graduated college	+34
Attended college	+20
Geographic location	
Northeast	+30
South	+13
Household income	
$60,000 or more	+44
$50,000 or more	+33

House plant food/fertilizer

	% above average
Age group	
55-64	+13
Geographic location	
Northeast	+229
Household income	
$60,000 or more	+43
$50,000 or more	+37

Source: Simmons Market Research Bureau 1988
Base group: Adults

For more information on: *Consumer Markets for Pesticides and Fertilizers: 1988 Update*, contact Julia E. Hodge, Kline & Co., 185 Passaic Ave., Fairfield, NJ 07006, (210) 227-6262; *The Impact of Biotechnology on Pesticides in the U.S.*, #A2150 contact customer service, Frost & Sullivan Inc., 106 Fulton St., New York, NY 10038, (212) 233-1080.

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Greengoods flat

By Steven A. Stone, *editorial assistant*

Although some garden centers have shown significant increases, the overall trend in greengoods, according to industry sources, is flat. Retail sales in 1988 reached $6.9 billion according to the Wholesale Nursery Growers Assn. Industry projections put this year at $7 billion.

"Sales in greengoods were probably up no more than 5 percent," says Bruce Butterfield, market researcher. National Gardening Assn.

Charles Dunn, industry consultant, Garden Center Institute, agrees. "This has been a year of peaks and valleys....Good weeks have been followed by weeks of decreases."

Lawn & Garden Marketing readers generally out-did last year's slow performance in sales of trees and shrubs. Of the independent garden centers responding to an August 1989 *LGM* survey, 61 percent of them said they had an increase in that segment of the nursery business in spring/summer 1989 as compared to spring/summer 1988. Twenty-four percent of them said sales of trees and shrubs were the same, and 15 percent noted a decrease.

The most recent Floriculture Crops report from the U.S. Department of Agriculture showed that in 1988 most of the categories were down, as expected because of the Drought. Based on wholesale figures by growers, total sales of all bedding and gardening plants were down 2 percent from 1987 levels.

Some categories were hit harder than others. Foliage plants were down 7 percent; total bedding flats were down 6 percent: and flowering hanging baskets were down 5 percent. The bright spot was flowering and foliar-type potted plants, up 21 percent from 1987.

The drought is over in most parts of the country, but the end came late and suddenly. April was a drier-than-normal month for most of the country, with the Midwest continuing severe drought conditions. May had some rain, but it did not help much. In June, rain drenched most of the country, with parts of the South receiving four times normal rainfall.

Other factors also contributed to the slack year in greengoods. Butterfield points out that the business is cyclical. "Maybe the industry will have to wait for a couple of years before we get another big year like 1987," he says.

Dunn points out that most trees and shrubs are sold to accompany new homes. "Greengoods are linked to construction and...new housing starts. We are feeling the effects of a housing slowdown." explains Dunn.

A change in the landscape

Trees and shrubs were not as popular this year, with many people turning to more colorful plantings. Dunn says, "Overall, [garden centers] have seen an increase but not in the traditional landscaping plants. Annuals, perennials—anything that blooms, has color—and fragrant plants have sold well," he says.

Butterfield agrees that colorful, blooming annuals and perennials were popular and will continue to be. "Instant gardening is no risk and a good seller year-in and year-out," he says.

At least one retailer has already taken that idea and run with it. Robin Elstermeier, president of Elstermeier Floral, St. Paul, Neb., says, "We are selling more pre-planted patio and porch boxes."

Elstermeier also had to replace some dead trees in 1989. "Two things killed trees this year: the long dry winter and string trimmers. People used their string trimmers around 5-10 ft. trees and killed them. A lot of my trees went out as replacements," he says. Elstermeier Floral still replaces trees that don't live through the summer but not winter- or trimmer-killed ones.

Replacement policies covering '88 losses did not hurt many retailers despite the Drought, according to an August 1989 *LGM* survey. Only a few of the respondents said that they had lost money on replacements in 1988, and none of them changed their replacement policy in 1989 as a result.

Coming up in the spring

The majority of garden center respondents to a September 1989 *LGM* survey said they plan to increase their inventories of live goods in 1990. Flowering bedding plants were the most often mentioned; 64 percent plan to increase that category.

While annuals and perennials are on an upswing, these increases do not exclude growth in trees and shrubs. As the American Forestry Assn.'s Global ReLeaf program and other environmental programs increase awareness of the beneficial environmental effects of trees, there is potential for sales of woody plants to increase. —LGM

Consumer profile

Read as "(Consumer) more likely than average to have spent $10 or more in the last 12 months."

Bulbs

	% above average
Age group	
55-64	+09
Level of education	
Graduated college	+20
Attended college	+06
Profession	
Professional/manager	+19
Other employed	+07
Geographic location	
Northeast	+103
Midwest	+18
Type of area	
Metro central city	+15
Metro suburban	+06
Household income	
$60,000 or more	+16
$50,000 or more	+20
$40,000 or more	+15
$30,000 or more	+11

Source: Simmons Market Research Bureau 1988
Base group: Adults

For more information contact: USDA National Agricultural Statistics Service, P.O. Box 1608, Rockville, MD 20850, (800) 999-6779; Wholesale Nursery Growers Assn./ American Assn. of Nurserymen, 1250 I St. NW, Ste. 500, Washington, DC 20005, (202) 789-2900; Professional Plant Growers Assn., P.O. Box 27517, Lansing, MI 48909, (517) 694-7700; Garden Center Institute, P.O. Box 1264, Roswell, GA 30077, (404) 587-2113; and National Gardening Assn., 180 Flynn Ave., Burlington, VT 05401, (802) 863-1308. The SMRB study is copyrighted and cannot be reproduced or distributed in any way without written permission from the company. For more information on the complete study, contact Warren Dobbe, Simmons Market Research Bureau, 380 Madison Ave., New York, NY 10017.

Retail sales profile

Servicing dealers are very positive about the results of their 1989 spring/summer selling seasons. Following the Drought last year and subsequent loss of business, most power equipment dealers reported increased repair business in 1989 compared to the same time last year. Two out of three OPE dealers said repair business increased.

As a result, nearly 72 percent said replacement parts sales increased; only 38 percent reported the same last year. Only one in 20 dealers reported that sales of replacement parts decreased in 1989 vs. one in four who reported the same last year. One dealer explained his 1989 success: "Most [customers] had their mowers repowered or repaired. Most common reason: 'It's cheaper than a new one.'"

In anticipation of another year like this one, dealers are optimistic about the replacement parts business. When asked if they planned to make inventory changes in replacement parts in 1990, 65 percent of dealers stocking parts said they would increase their inventories.

Read as "Percentage of retailers indicating sales up, same or down in 1989 vs. 1988."

Service

Up	70%
Same	20%
Down	10%

Replacement parts

Up	72%
Same	24%
Down	4%

Source: August and September 1989 *Lawn & Garden Marketing* surveys
Base: Power equipment dealers

University to offer OPE degree

The Ohio State University Agricultural and Technical Institute in Wooster, Ohio, has developed a two-year program called Horticultural Power and Equipment. The program is designed to train technicians for work in the outdoor power equipment industry.

According to Fred Lendrum, technology coordinator for the program, this new area grew out of the landscape and golf course sequences offered by the Institute.

"After a couple of years, we had students coming back saying that they wished they had received more small engine training," says Lendrum. To determine the best way to fill the void, he sent questionnaires to a number of landscapers, golf courses and nurseries that asked them their opinions on what the program should cover and the number of people they needed. Power equipment dealers became interested later as their need in this area grew more pressing. "The power equipment dealers have come forward to help with the equipment and the advising," he says.

"One problem we have had," says Lendrum, "is that most students want to work on big equipment." Prospective students do not think that there is much of a demand for small engine technicians. However, two similar programs, one in Texas and one in Florida, have lost students after the first year, because the students find a job and do not stay to finish the program, which shows that many trained mechanics are needed.

The program includes a required work experience between the first and second years, and Lendrum hopes to send students to work in shops all over the country. Graduates will be prepared for entry-level positions such as equipment specialist, service technician, service representative, service manager or parts manager after graduation.

For more information, contact Fred Lendrum, Agricultural Technical Institute, OSU-Wooster Campus, 1328 Dover Road, Wooster, OH 44691, (216) 264-3911.

Charity donations turn into tax deductions

If drought followed by flood has left you with excess inventory, there is an organization that can help. The National Assn. for the Exchange of Industrial Resources coordinates charity donations. Excess inventory can be turned into an above-cost federal tax deduction when donated to charity. Under federal tax law, donors are allowed to deduct the cost of the item donated, plus half the difference between cost and fair market selling price. Deductions may be up to twice cost.

The NAEIR is a 12-year-old nonprofit organization that accepts inventory donations, then redistributes them to 7,500 schools and charities throughout the United States. Deductions are allowed under Section 170 (e)(3) of the Internal Revenue Code. Recipients of the material include schools at all levels, hospitals, nursing homes, orphanages, camps, rehabilitation centers and a host of other charities.

Donors receive their tax documentation from NAEIR within 10 days after their merchandise is received at NAEIR's Galesburg, Ill., warehouse. There is no charge to donors for the service.

For more information, contact NAEIR, Dept. LG-1, 560 McClure St., Galesburg, IL 61401, (309) 343-0704.

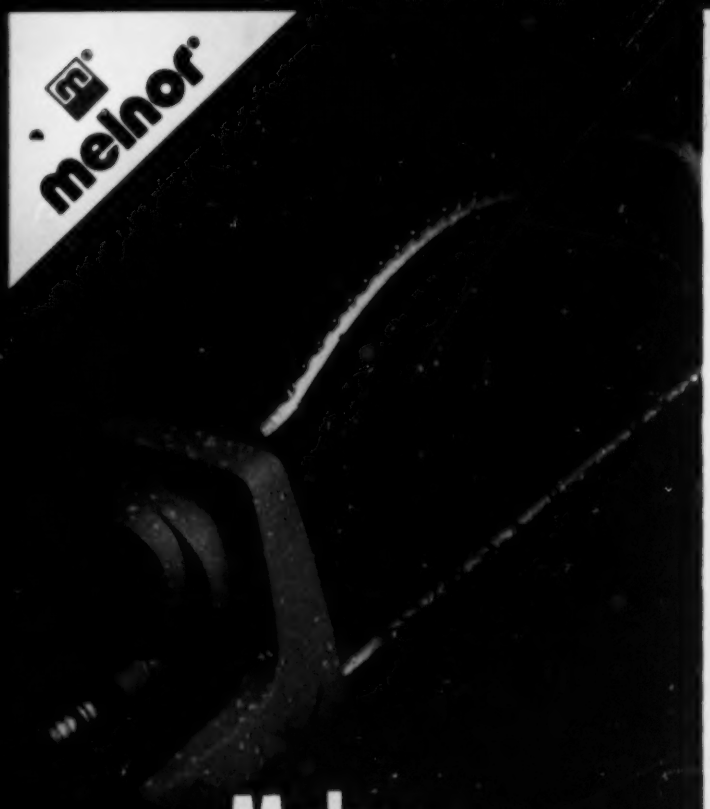
Briefs

• **Ariens Co.**, Brillion, Wis., has appointed Mike Thuecks to hold the newly created position of market development manager for commercial and tractor products. He will oversee the expansion of Ariens products into the commercial market.

• Curtis Bishop is the new national distribution manager for **Kubota Tractor Corp.**, Compton, Calif. He will be responsible for national operations of computer systems, inventory control and product traffic coordination. Becky Knighton has been named retail/wholesale finance manager for the company.

• G. Christopher Covert has been named senior vice president of technical services for **Simplicity Mfg. Inc.**, Port Washington, Wis. He will be responsible for all product engineering, quality assurance, product improvement and service department activities.

melnor



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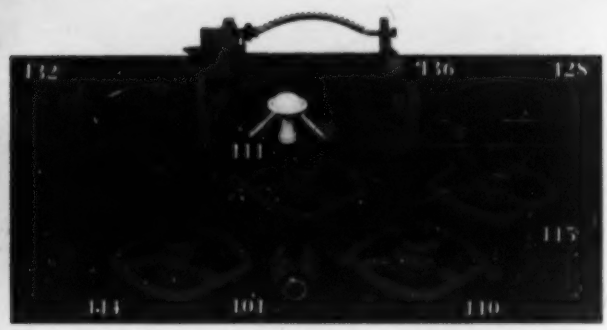
Time-A-Matic
Automatic Shut-off,
Automatic Sell



132—Oscillating Sprinkler
114—Full or Part Circle Pulsating Sprinkler
111—2 Arm Adjustable Revolving Sprinkler
101—Water Timer
136—Oscillating Sprinkler
110—3 Arm Square Pattern Revolving Sprinkler
128—Oscillating Sprinkler
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Top 100 markets

A study published by Standard Rate & Data Service, Wilmette, Ill., called *The Lifestyle Market Analyst*, can give retailers a better fix on gardening consumers and their allied interests. The study—and information contained in the chart below—is based on data gathered by the research firm National Demographics & Lifestyles Inc., Denver. Gardening is just one of 57 activities measured.

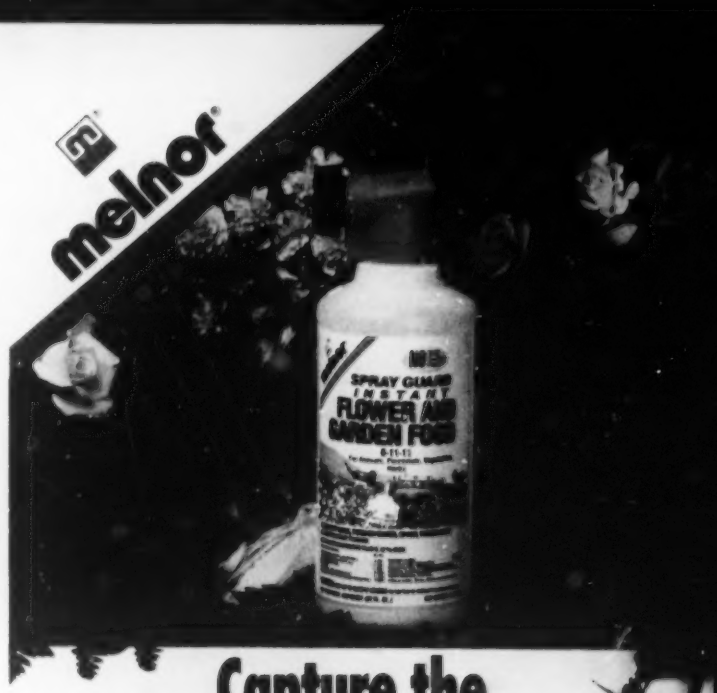
One part of the study ranks gardening cities (Areas of Dominant Influence). Rankings are determined by greatest segment penetration, not population segment. For example, in New York, N.Y., there are nearly 2 million households that have reported an interest in gardening as a lifestyle, earning the city a rank of 210. Glendive, Mont., has 2,326 households that have reported the same interest, earning it the No. 1 spot. When taking into consideration the total household population of New York City, the 2 million gardeners represent only 28 percent of total households, whereas Glendive's 2,326 gardeners represent 51 percent of total households there.

Although not shown here, another part of this study analyzes the demographics of lifestyle participants. Each lifestyle is analyzed in terms of key household demographics and related hobbies and interests. This information can help marketers understand which consumers are most likely to be gardeners and what their other interests are, such as home decorating, sewing, and crafts. (See "From the Editor," page 2.) **—LGM**

This portion of *The Lifestyle Market Analyst 1989* is reprinted with permission from SRDS. For more information or to purchase the complete study, contact Customer Service, SRDS, 3004 Glenview Rd., Wilmette, IL 60091, (800) 323-4588.

Area of Dominant Influence	Garden Lifestyle Rank
Abliene-Sweetwater, TX.	.90
Albany, GA.	.80
Albany-Schenectady-Troy, NY.	.98
Albuquerque, NM.	.99
Alexandria, LA.	.75
Alexandria, MN.	.9
Alpena, MI.	.4
Anniston, AL.	.100
Ardmore-Ada, OK.	.7
Bangor, ME.	.6
Billings-Hardin, MT.	.34
Binghamton, NY.	.48
Bluefield-Beckley-Oak Hill, WV.	.23
Boise, ID.	.35
Bristol-Kingsport-Johnson City/Tri-Cities, TN-VA.	.24
Buffalo, NY.	.55
Burlington-Plattsburgh, NY-VT.	.28
Casper-Riverton, WY.	.81
Cedar Rapids-Waterloo-Dubuque, IA.	.76
Charleston-Huntington, WV.	.29
Charlotte, NC.	.82
Cheyenne-Scotts-Sterling, WY-NE-CO.	.83
Chico-Redding, CA.	.18
Clarksburg-Weston, WV.	.10
Columbia-Jefferson City, MO.	.56
Columbus-Tupelo, MS.	.30
Duluth-Superior, MN-WI.	.16
Elmira, NY.	.42

Area of Dominant Influence	Garden Lifestyle Rank
Erie, PA.	.69
Eugene, OR.	.8
Eureka, CA.	.3
Evansville, IN.	.84
Fargo, ND.	.49
Flint-Saginaw-Bay City, MI.	.91
Ft. Smith, AR.	.57
Ft. Wayne, IN.	.92
Fresno-Visalia, CA.	.93
Glendive, MT.	.1
Grand Junction-Durango, CO.	.25
Great Falls, MT.	.94
Green Bay-Appleton, WI.	.58
Greensboro-Winston Salem-High Point, NC.	.85
Greenville-Spartan-Asheville, NC-SC.	.50
Greenwood-Greenville, MS.	.70
Harrisonburg, VA-WV.	.13
Huntsville-Decatur-Florence, AL.	.59
Idaho Falls-Pocatello, ID.	.20
Jackson, MS.	.86
Jackson, TN.	.71
Johnstown-Altoona, PA.	.43
Jonesboro, AR.	.31
Joplin-Pittsburg, MO-KS.	.60
Knoxville, TN.	.61
La Crosse-Eau Claire, WI.	.72
Lafayette, LA.	.51
Lake Charles, LA.	.95
Laurel-Hattiesburg, MS.	.14
Lexington, KY.	.62
Lincoln-Hastings-Kearney, NE.	.52
Little Rock, AR.	.77
Medford, OR.	.5
Meridian, MS.	.36
Minot-Bismark-Dickinson, ND.	.26
Missoula, MT.	.19
Monroe-El Dorado, LA-AR.	.63
Montgomery-Selma, AL.	.78
North Platte, NE.	.15
Ottumwa-Kirksville, IA-MO.	.11
Paducah-Cape Girardeau-Harris, KY-MO-IL.	.44
Panama City, FL.	.87
Portland, OR.	.21
Portland-Poland Spring, ME.	.45
Quincy-Hannibal, IL-MO.	.53
Rapid City, SD.	.88
Roanoke-Lynchburg, VA.	.89
Rochester-M City-Austin, IA-MN.	.46
Sacramento-Stockton, CA.	.64
Salinas-Monterey, CA.	.37
Salisbury, MD.	.65
Salt Lake City, UT.	.38
Santa Barbara-S. Maria-San Luis Obispo, CA.	.73
Seattle-Tacoma, WA.	.32
Shreveport-Texarkana, LA-AR-TX.	.54
Sioux City, IA.	.33
Sioux Falls-Mitchell, SD.	.39
South Bend-Elkhart, IN.	.79
Spokane, WA.	.12
Springfield, MO.	.27
Terre Haute, IN.	.47
Traverse City-Cadillac, MI.	.22
Twin Falls, ID.	.2
Watertown-Carthage, NY.	.96
Wausau-Rhinelander, WI.	.17
Wheeling-Steubenville, WV-OH.	.40
Wichita-Hutchinson, KS.	.97
Wilkes-Barre-Scranton, PA.	.66
Wilmington, NC.	.67
Yakima, WA.	.41
Youngstown, OH.	.74
Zanesville, OH.	.68



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- **Lawn Weed Killer**
- **Lawn Weed and Feed**

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L&G opportunities in the 1990s

By Charles W. Dunn, *editorial contributor*

Many marketers are calling the last decade of the 20th Century "The Chameleon Decade." Like the chameleon, successful marketers of the '90s will need the ability to adapt to new environments if they are to survive.

There is a revolution occurring in retailing; virtually everything is changing. The mass market continues to unravel. A few years ago, middle-class consumers could be counted on to go to middle-priced stores for most of their purchases. In the '90s, the middle class will either move upscale or downscale. There will be little room in the middle.

The same holds true for shopping. It will occur at high-volume, price-oriented stores, such as today's warehouse clubs and discount stores, or at the more traditional, full-service retailers, such as service-oriented department stores and specialty shops. Again, the middle will offer little chance for success or survival.

As retailers undergo changes in format and size, pricing, shopping patterns and merchandising mixes, they will begin to feel the impact of changing customer loyalties and attitudes. Changes that will cause them to develop new and different relationships with their suppliers. These partnerships will be critical as gardening seeks to position itself in the marketplace as a leisure time activity.

Leisure time activities will be cherished. There will be more money to spend on activities like gardening, but less time to spend it. The "time-press" will continue to fuel the current surge of services we see in the marketplace today, and it will pave the way for all sorts of new products and enterprises. The '90s will see our society dominated by services rather than products.

The 76 million-strong baby boom generation will move into middle age. We'll see more affluent people who have conservative, value-based ideals, and the home will be the focus of American life.

Activities once engaged in that were totally forgotten in recent years will re-emerge as hobbies, including hunting, baking bread and gardening.

Family involvement will increase, and available free time often will involve activities by several individuals. There will be more discretionary income for the consumer to spend on gardening but much more competition for that dollar.

Smaller yards will foster more interest in groundcovers, container plants, small trees, perennials, privacy, low-maintenance and RTU products.

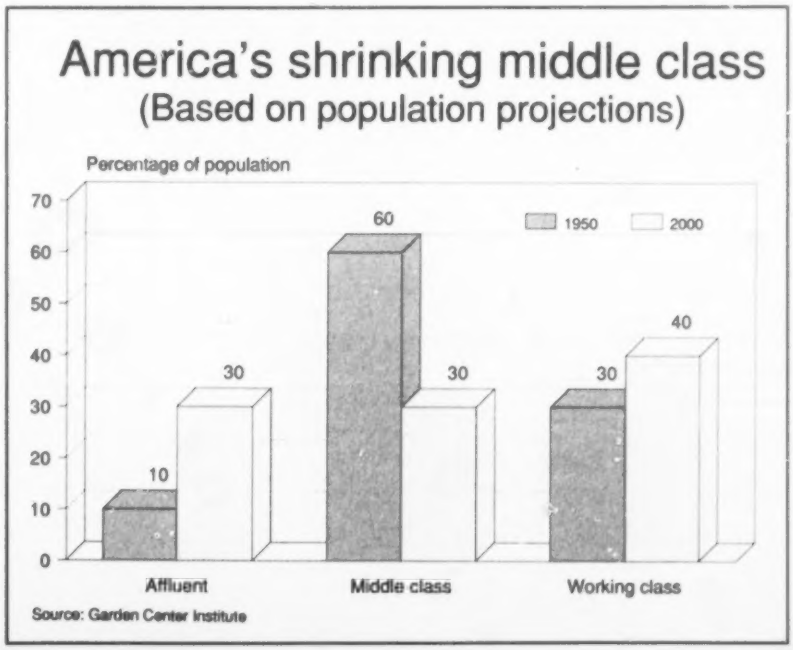
Activism, especially concerning environmental issues, will increase as consumers becomes more concerned about their legacies. They will seek to create their own suburban retreats away from the daily pressures of the corporate ladder climb, which for many will have reached its end.

The '90s will also see the emergence of two distinctive gardening markets. Value Gardeners will be concerned about what they get in return for their activity and expenditure. Marketing to them will be a constant sell because they will carefully determine how much and on what they are willing to spend.

Trendy Gardeners will be interested in immediate results and instant gratification from their gardening activities. Marketers must constantly strive to find the new and unusual that will appeal to instant purchasing decisions.

Successful promotions and carefully planned merchandising will be the key to selling to confused, information-oriented consumers who will buy to satisfy their wants not their needs. Convenience will be more important than price.

These are some of the factors that will drive the gardening market of the '90s. Our opportunities will be developed from them. —LGM



Charles W. Dunn is a marketing consultant and strategist based in Atlanta. He specializes in the lawn and garden industry and has more than 15 years of experience. He founded the Garden Center Institute, an organization that provides its retailer, manufacturer and distributor members with marketing, merchandising, management and informational products and services. He can be reached at (404) 552-1356.

Retail sales profile

The majority of hardware/home center, garden center and mass-merchant retailers were upbeat about their overall spring/summer selling seasons in 1989.

Twenty-eight percent ranked their seasons excellent, while 38 percent ranked them good. Twenty percent ranked their seasons average, and 12 percent ranked them below average. Only 3 percent said sales were poor.

Read as "Percentage of retailers indicating sales up, same or down in 1989 vs. 1988"

Grass seed
Up. 64%
Same. 30%
Down. 6%

Packet seed
Up. 54%
Same. 30%
Down. 13%

Cutting tools
Up. 40%
Same. 40%
Down. 20%

Short-handled tools
Up. 34%
Same. 37%
Down. 28%

Long-handled tools
Up. 30%
Same. 42%
Down. 28%

Hose-end sprayers
Up. 32%
Same. 44%
Down. 24%

Hose-end accessories
Up. 27%
Same. 40%
Down. 33%

Hose
Up. 21%
Same. 31%
Down. 48%

Sprinklers
Up. 19%
Same. 26%
Down. 54%

Planterware
Up. 37%
Same. 43%
Down. 20%

Source: August 1989 *Lawn & Garden Marketing* survey
Base: Hardware/home centers, garden centers, mass-merchants

Use of home pesticides raise safety questions

A study conducted by the University of California shows that many people do not take basic safety precautions when using pesticides. James I. Grieshop and Martha Stiles of UC-Davis found that one in four respondents believed that they had suffered an illness related to pesticide exposure. The study also found that 38 percent of pesticide users do not read the label, and more than half do not wear protective clothing.

Grieshop says, "There is a real communication gap" between the manufacturers and consumers of pesticides. Most labels warn or caution against contact to the eyes, skin and clothing and against breathing the substance but do not include explicit ways to avoid exposure, such as wearing gloves, long sleeves, goggles, masks and washing up after use. Better labeling is one way to help cut down on the risk but only for people who read the labels, he says.

According to Grieshop, retailers can help by reminding customers of common sense rules like reading the label, keeping children away and not using more than directed. "Remind them that these are toxic substances, and that some people [have reactions] to some chemicals," he says.

The study also found that individuals who are most experienced with pesticide use are the ones that are most likely to take the fewest precautions because they perceive the chemicals to be safe. Also, people who wear protective clothing are most likely to mix doses that exceed label instructions. If consumers use a chemical once without ill effect, they begin to take fewer and fewer precautions, thinking that the chemical is not toxic.

The subjects for the study were Sacramento, Calif.-area pesticide shoppers who sent in requests to participate in the study. More than 400 people filled out the survey about their use of pesticides. Focus groups of five to nine people also were formed to discuss specific topics in order to obtain more in-depth information. Another study on the use of chemicals vs. alternative means of pest control currently is being conducted.

AAN helps draft water conservation legislation

A bill introduced in the U.S. Senate was drafted with the aid of the American Assn. of Nurserymen. The Municipal and Industrial Water Conservation Act of 1989 proposes the creation of the Office of Water Conservation within the Environmental Protection Agency.

Included in the bill's language is emphasis on the water-efficiency of landscaping and vegetative cover. Landscaping is a vital way to participate in water conservation activities over and beyond the fact that plantings add to a property's beauty and value.

The bill would provide technical assistance to states, municipalities, businesses and schools by increasing the availability of information on water conservation methods. An identical bill, HR 3099, has been introduced in the House.

According to AAN Director of Government Affairs Ben Bolusky, the bills are still in committee. However, he says having the legislation in both houses means the prospects for passage of at least one are promising.

Briefs

• **Editor's Note:** *Lawn & Garden Marketing* failed to credit Selame Design, Newton Lower Falls, Mass., with the creation of the Home & Garden Showplace℠ logo and photo that appeared in the September issue.

• The first place winner in the Hardware Industry Packaging Exposition at the National Hardware Show® was Magic Pipeline, an underground trickle irrigation system produced by **Entek Canada Ltd.,** Winnipeg, Manitoba.

• **Ortho Consumer Products,** San Ramon, Calif., received a special 4-H Campaign Citation Award for its contributions to the youth organization. Ortho has been involved with the 4-H program for more than 30 years.

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Lawn&Garden Marketing™

FEBRUARY 1990

An Intertec publication

Cover story: Tying into industry promotions

Sell-through programs • Effective co-op strategies

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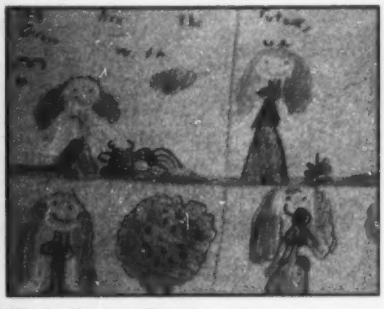
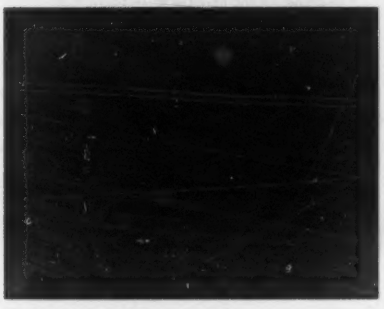
The merchandising magazine for lawn, garden and leisure living products.



Tie in for profits, 4

Worth a Look, 8



Speaking of Power, 28

Features

Tie in for profits

Millions of consumers have been exposed to the messages of three national industry promotions. Are you prepared to take advantage of this knowledge to increase sales and cultivate a loyal crop of customers?. .4

Sell-through

On pages designated as "Sell-Through," advertisers have given *Lawn & Garden Marketing* the opportunity to outline their 1990 promotional strategies for you. These pages exemplify how manufacturers must use a variety of promotional campaigns to increase consumer awareness for their products. They include POP, newspaper, TV, radio and direct-mail campaigns. Details of national drawings and other special activities also are provided. Highlighted editorial begins on page. 6

Using co-op effectively

Although co-op advertising has grown tremendously in the last 20 years, it too often remains a hidden gold mine of untapped dollars that could be working for retailers. 24

Departments

Calendar

March events include the National Home Center Show. April events include National Garden Month, National Outdoor Power Equipment Safety Month and National Garden Week. May events include National Retail Merchants Assn.'s World Conference of Retailers. . . .19

Product Listings

Included this month are a power rake from Parker Sweeper Co. and hoses from Gilmour. 30

Inside Commercial

Commercial products featured include a hydrostatic mower from Dixon Industries Inc. and a slicing attachment from Encore Mfg. Co. Inc.. 32

Retail Marketplace

Interest in landscape values growing; Northern California ordered to tighten chemical regulations; Effective advertising media. 40

Cover photo courtesy of the National Junior Horticultural Assn. The drawing, done by Daniel Norden, Raleigh, N.C., was an honorable mention winner in the 8 to 10-year-old category in the 1989 national poster contest. "From the Editor" photo by Kevin Anderson.

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Speaking of Power

By Wendy A. Bishop. 28

Did you know?

Older adults—those 55 and older—are more loyal to stores they patronize and more likely to expect/use a variety of services from stores; they are more likely to sacrifice price for locational convenience.

Source: Older Consumer Orientations Toward Marketing Activities and Responses to New Products, 1989

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Using co-op effectively

Although co-op advertising has grown tremendously in the last 20 years, it too often remains a hidden gold mine of untapped dollars that could be working for retailers.

By Judith Berzof, *editorial contributor*

Traditional co-op revenues for all industries will be about $15.2 billion for 1990, but about one-third, or more than $5 billion will go unused, according to Frank Hennessey, vice president of co-op sales for the Newspaper Advertising Bureau (NAB).

Non-traditional co-op funds for in-store promotion, merchandising and event marketing will reach about $75 billion, with retailers using much more—about 75 to 80 percent—of that money.

The value of co-op long has been apparent. (The first co-op program tried to sell women on the benefits of stainless steel stays in women's corsets in 1904.) In the 20 years that manufacturers have published their co-op programs extensively, the number of programs has grown from 300 to well over 6,000—and that's the tip of the iceberg.

"For every published program, there are probably five companies that do not have a published program but still offer co-op in a verbal program," says Hennessey. In the lawn and garden industry, he says around 500 companies have published co-op programs.

"When you take national, brand-name merchandise and combine it with local retail advertising, it works wonders," he says. Hennessey predicts strategic increases of 10 to 12 percent in local co-op advertising offered by manufacturers in 1990 at the expense of national image advertising.

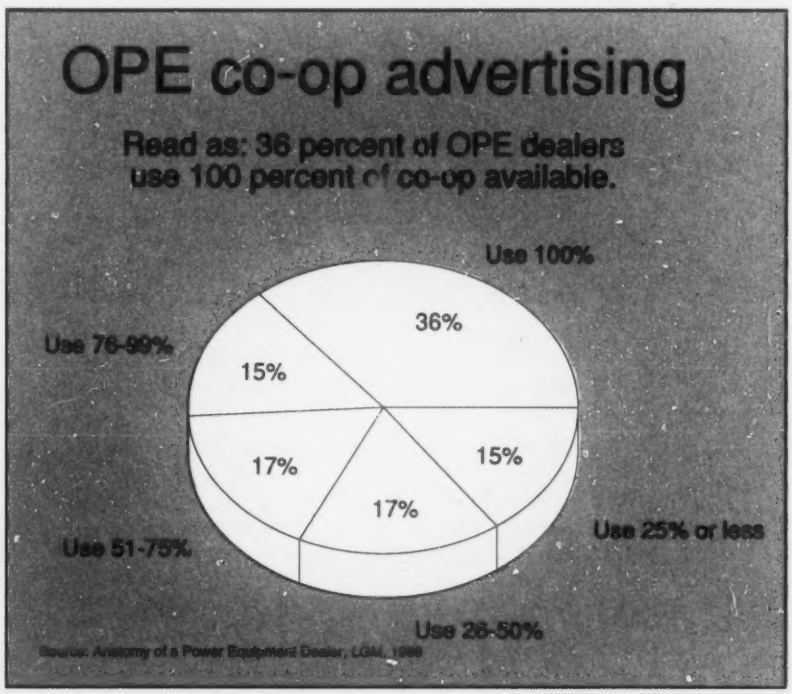
Traditional co-op advertising is actually a financial agreement between a supplier and a retailer based on the retailer's purchases. Its goal is promoting the products to create consumer awareness and stimulate sales.

Strategic increases of 10 to 12 percent in local co-op advertising offered by manufacturers will occur in 1990 at the expense of national image advertising.

—Frank Hennessey, NAB

There are various plans, including 50-50 programs in which a manufacturer matches the amount a retailer puts up for an ad dollar for dollar. Other programs are tied to an "accrual," which puts away a percentage of money from a retailer's purchases in an advertising fund that retailers can use to pay for ads.

In the lawn and garden industry, a 5 percent accrual is common. However, the co-op program might be much more attractive for special, new product line promotions. In specific cases, the manufacturer could pay 75 or even 100 percent of the ad, based on a 2 to 5 percent accrual, according to Larry D. Stewart, co-op advertising manager of *The Courier-Journal* newspaper in Louisville, Ky.



Too good to pass up

Retailers often don't use co-op, however, because of the time-consuming paperwork that is involved in tracking accrual percentages, participation percentages, certain manufacturer stipulations and billing procedures.

Yet, co-op-funded advertisements are too valuable to be ignored in today's

competitive retail environment. Many shrewd retailers are taming co-op through manual or computerized programs and are placing a priority on availability of co-op when making buying decisions.

Scott Link, manager of Link's Outdoor Power Equipment in Louisville, Ky., prefers to buy only from manufacturers who offer 50-50 co-op plans. In fact, such participation is practically essential before the store agrees to take on a particular product line. "It's in the top five considerations," he says.

Link estimates that the store spends close to 5 percent of its gross sales on advertising a year, and 75 percent of the advertising has a co-op base. The rest goes for direct mail.

Link has found that a radio spot he runs from December through February that touts lawnmower tune-ups qualifies for co-op money because he tacks a commercial for a brand-name product onto the ad.

Link learned how to use co-op effectively during a five-year stint with Midwest Equipment and Supply Co., a Snapper and Echo distributorship for Indiana and Kentucky. Link's father, Titus, worked for Midwest for 15 years selling outdoor power equipment. When the two started their own retail store three years ago, co-op was a top priority in product-line planning.

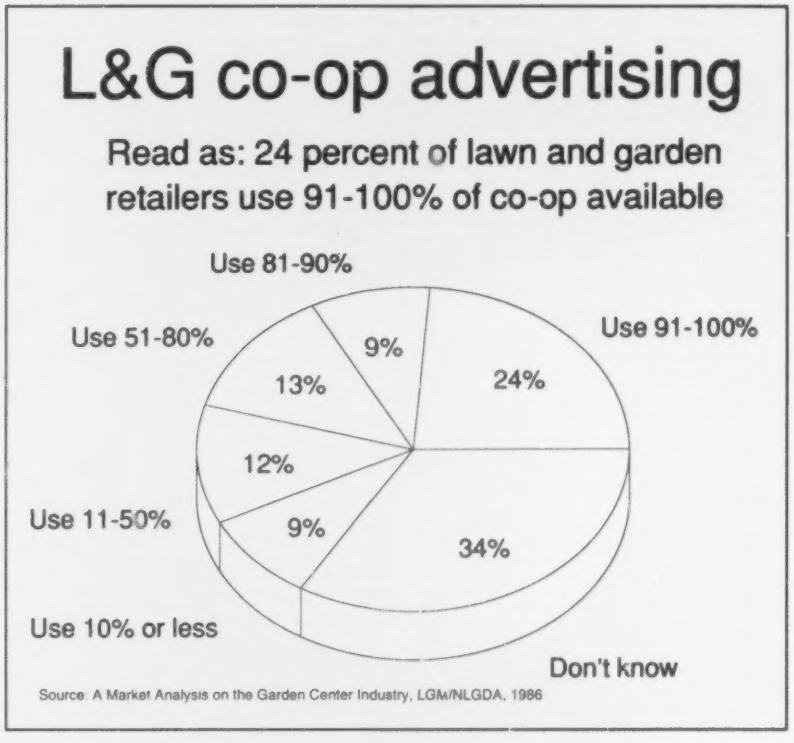
Randy Hargrave, co-op advertising manager of the *Virginia Pilot/Ledger Star* newspapers, owns two retail businesses and also puts a priority on co-op when making buying decisions. "Although a product may cost $1 or $2 more, I will purchase from those suppliers who help with promotions," says Hargrave.

Increasingly, newspapers are streamlining claims processing for co-op, often providing retailers with the required tear sheets, claim forms and bill copies to send to suppliers for reimbursement or submitting claims themselves, says Hargrave, president of NACON, a national association that provides co-op help.

Co-op long has been important to Midwest Equipment and Supply Co., Evansville, Ind., accounting for 95 percent of the advertising placed by Dan Ausenbaugh, manager of the in-house advertising agency. Under routine plans, a manufacturer will pay for 50 percent of the advertising costs, Midwest will kick in 25 percent, and the dealer will pick up the final 25 percent.

"There's a partnership when an item is sitting in a retail shop. We're a partner and so is the manufacturer. It's the responsibility of all three of us to make sure the consumer gets the proper product and is satisfied," says Ausenbaugh.

Since 80 percent of the walk-behind mower market, for example, is repeat business, Midwest banks on advertising to create an image of brand-name quality in the user's mind. And that takes money, says Ausenbaugh. Campaigns are developed for particular market areas. Part of a Midwest promotion last spring splashed Snapper products on almost 60 billboards in Louisville, while a radio campaign touted them in the Fort Wayne, Ind., market.



"Co-op has always been important, and it will continue to be even more important as the retail environment becomes more and more competitive."

—Doug Hoff, Anderson's

Those taking a closer look at the benefits of co-op include Chicago-based Cotter & Co., the wholesaling group for independent True Value stores. The company began offering co-op plans on its private label program during the past year and a half.

Bob Taylor, president of True Value Home Centers of Tidewater, Va., expects co-op to increase from 15 percent of his ad budget in 1988 to 18 percent in 1990. "We advertise a lot of private label products, and in the past we had to bite the bullet and pay for the ads," says Taylor.

Co-op, however, doesn't necessarily dictate advertising strategy at his stores, Taylor says. "If that product doesn't fit our mix or fit into plans for seasonality, we won't advertise just because co-op money is available."

Finding help

Increasingly, there is help available for dealers who have been burned using co-op in the past, or who simply don't have time to keep track of accruals or manufacturer stipulations on the use of co-op.

Such aid may be at hand at a local newspaper office. About 64 percent of all

continued...

Coop...continued

co-op dollars spent nationally are spent in newspapers, according to the NAB.

"The number one problem is the excessive paperwork. The solution is to let the newspapers do all of that for you," says Hennessey. The NAB offers a free kit called Retail Co-op Recovery, which includes a program that helps retailers find, use and collect co-op dollars. For details, write to NAB, 400 N. Michigan Ave., Chicago, IL 60611.

"Retailers are only using what they are familiar with," says Stewart. "The ones who say they don't need help usually need it the most. There is a lot of co-op sitting on their shelves, although it may be on low ticket items," he says. Although these may not be products that are commonly purchased, a retailer could tap that money to publicize his store.

"The main thing is to get organized and be on top of what's going on so you are not geared for failure," says Jane Denny, vice president of Select Media, a software publisher in Minneapolis that specializes in co-op advertising for retailers. "Many retailers get frustrated and get burned using co-op, perhaps because they didn't have money built up in the accrual fund to get paid for the advertisement, or because they missed deadlines for submitting the claim," says Denny.

Select Media markets a computer software program called SMILES that helps a retailer get control of co-op tracking problems. In addition to following different plans and accrual formulas offered by many manufacturers, dealers also must keep records on when a claim may be placed, when ads may run, ad measurements or stipulations on advertising with competing products.

> ***"Retailers are only using what they are familiar with. The ones who say they don't need help usually need it the most."***
>
> ***—Larry D. Stewart,***
> **The Courier-Journal**

Particularly frustrating to retailers and suppliers alike is the problem of overbilling that can occur easily if a retailer is unaware of what has built up in the accrual fund. Overbilling not only makes the retailer a less credible user in the eyes of the manufacturer, it complicates his own accounts receivable bookkeeping, says Denny.

Among those who have gotten a better handle on co-op is Anderson's in Toledo, Ohio. The company increased the number of vendors it uses co-op with by 15 percent in the two years it has used the SMILES program. Now, most claims for reimbursement under co-op plans are settled in an average of 90 days compared to 200 days before.

Even though Anderson's has increased co-op advertising, it has reduced the staff devoted to tracking co-op, resulting in a six-month return on investment.

"Co-op has always been important, and it will continue to be even more important as the retail environment becomes more and more competitive," says Doug Hoff, administrative services manager for Anderson's.

Associations also are turning to automation or outside agencies to help their members fully use co-op. The National Retail Hardware Assn. recently began offering Denny's computer program under a private label to its members as an alternative to a costly manual system. "A relatively small percentage of retailers take full advantage of co-op. The ones that do tend to be top-producing retailers. It takes time and effort, but retailers can double their advertising budgets or do better by taking advantage of co-op programs available," explains Hal Marsolais, NRHA managing director.

The American Hardware Mfrs. Assn. also is helping its members get a handle on co-op with Co-op Handling and Marketing Promotion Service. CHAMPS is managed by Advertising Technologies Inc. (ADTECH) in Indianapolis.

About 30 to 40 hardlines suppliers will use this service by April and that amount probably will double or triple by the end of the year, according to Jim Ramsey, president of ADTECH. The program will provide a single claims address and streamline paperwork for retailers submitting claims to participating suppliers.

"The main problem with co-op from a retailer's view is understanding what a manufacturer is offering in terms of money available and what the manufacturer expects. A critical element for the 1990s is bringing technological management to co-op," says Ramsey.

ADTECH offers a booklet on filing co-op claims with sample forms and recommended procedures that is available for $1 by writing P.O. Box 88501, Indianapolis, IN 46208. **—LGM**

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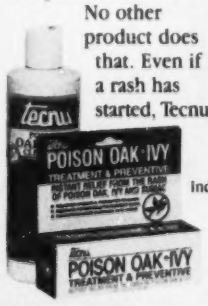

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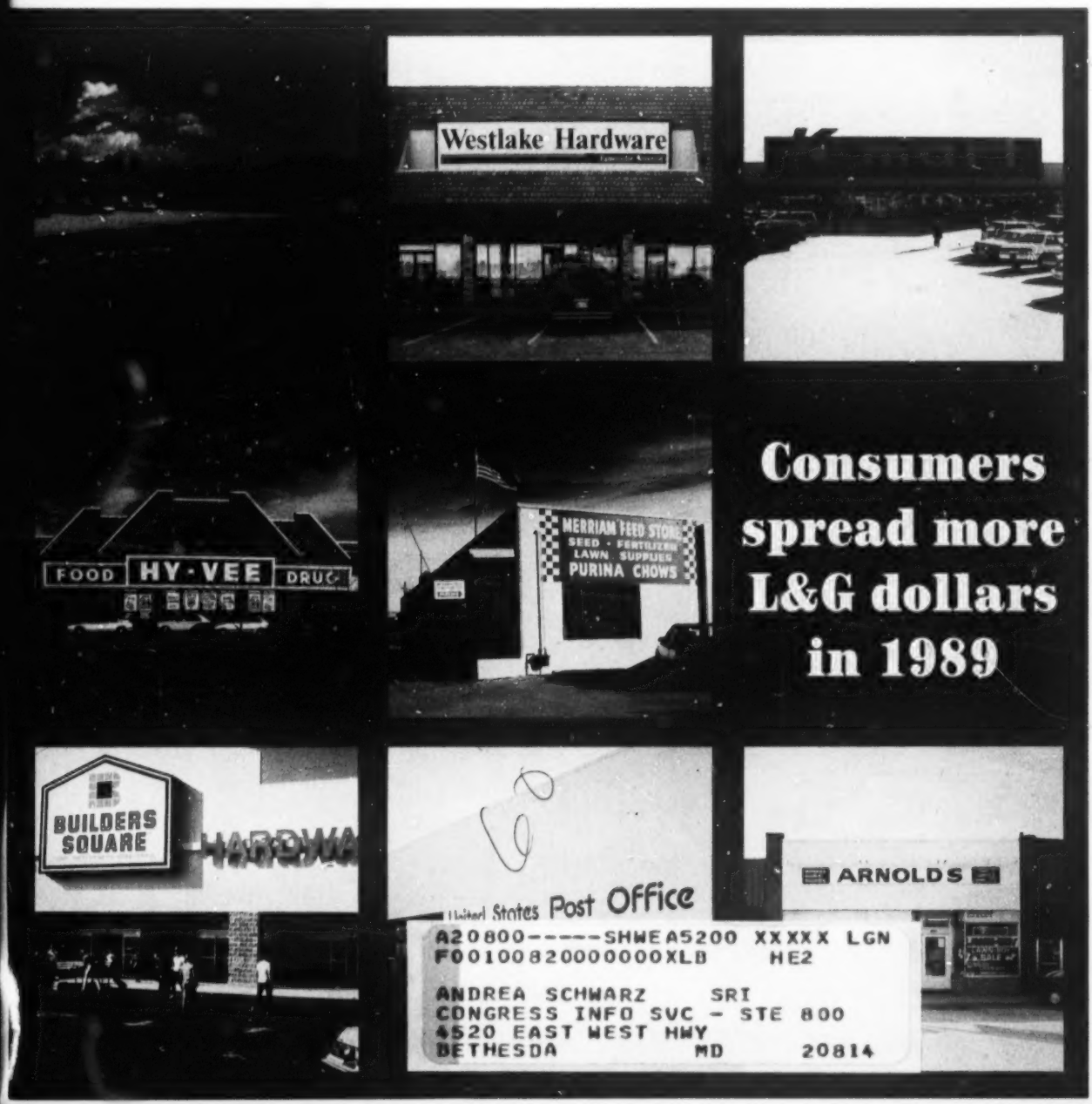
Cover story: National Gardening Survey results

Zero-turn technology • Pesticide/fertilizer promotions



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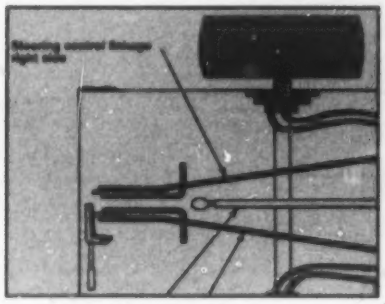
The merchandising magazine for lawn, garden and leisure living products.

Sales rebound, store traffic up, 6



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Did you know?

At garden centers/nurseries, annuals average the highest number of turns at 16. Shrubs typically turn 6 times. Hardgoods and houseplants are tied at 4. Trees are lowest at 1.5.

Source: Nursery Business Consultants

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From the Editor

The lawn and garden industry can learn a lot from the supermarket industry. Although there are many dissimilarities in our businesses, supermarkets are the training grounds for consumers. Because consumers are in grocery stores practically 52 weeks of the year, what they become accustomed to in those environments eventually affects other retail environments, including lawn and garden.

Unlike lawn and garden retailers, supermarkets have low margins but tremendously high inventory turns. With an average gross margin of 21.2 percent, independent grocery operators must make other compensations to customers in order to achieve higher than average inventory turns.

One of the ways supermarkets encourage such high turns is by getting the customer through all parts of the store. They do that through a method called "race-tracking"—putting high-demand products like produce, meat and dairy products along the outside walls. Since these are grocery staples, the customer must travel throughout the store. The motive here is that along the way other items attract the customer down the aisles.

Grocery retailers are so good at this, in fact, traffic flow reaches well above 50 percent in nearly all aisles of the store, a pattern not often realized—even in peak season—by lawn and garden retailers. Attractive pricing in endcap displays are critical to this effort. Because of their reliance on high turns, grocery retailers can't afford to have any dead spots in aisles or on shelves.

Lawn and garden retailers can take a lesson from this by carefully evaluating customer traffic through your own store. By putting high-demand products away from the entrance, freeing up dead aisles, and providing clear and concise signage, you can increase customer flow throughout the store or greenhouse.

Supermarket retailers attract customers with service as well: salad bars; bakeries; price breakdowns by cost per ounce; cash registers for eight items or less; product content analysis with breakdowns of sodium, fat, carbohydrates and calories; scanned checkouts; extended store hours; and carryout.

Consistent, frequent advertising, well-designed easy-to-read signage, and added value help grocery retailers attract and retain customers. Lawn and garden retailers can ride this trend by giving customers the level of service they've come to expect from the retailing industry.

Lawn and garden services can include such mainstays as delivery and installation or demonstrations of product use. But, they also can include such added things as posting average calories burned by lawn and garden activity, average increase in home value by landscaping project or average time saved by use of a certain product.

These are just a few ideas that you can borrow from the supermarket industry and adapt to your own operation. I think there are many other ideas worth considering. After all, your customers are your bread and butter.

Susan L. Anderson

Lawn&Garden Marketing

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EDITORIAL
Susan L. Anderson, *Editor*
Wendy A. Bishop, *Associate Editor*
Steven A. Stone, *Editorial Assistant*
Dr. Frank A. Viggiano Jr., *Products Consultant*
Dale Graves, *Editorial Contributor*
Jane Forman Cigard, *Editorial Contributor*
Ian Baldwin, *Editorial Contributor*
Adele Rogers, *Editorial Contributor*
Kevin Callahan, *Creative Director*

MARKETING
Brian Agnes, *Marketing Director*
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ADVERTISING
Dee Unger, *Ad Business Manager*
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(Regional sales offices listed on classified page.)

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Sales rebound, store traffic up in '89

Total lawn and garden sales were up 5 percent in 1989. Store traffic for lawn and garden retailers showed strong growth as competition for sales increased.

By Bruce Butterfield, *National Gardening Assn.*

Lawn and garden retail sales totaled an estimated $16.3 billion in 1989 compared with $15.5 billion in 1988 and $17.5 billion in 1987, according to the *1989-90 National Gardening Survey* conducted for the National Gardening Assn. by the Gallup Organization.

U.S. households spent an average of $245 each on their lawns and gardens in 1989 compared with $227 in 1988 and $251 in 1987. The negative impact of the widespread drought and unusually hot summer weather on lawn and garden sales in 1988 was not a factor in 1989 as consumer interest, participation and spending returned to more normal levels.

While total sales in 1989 were slightly below the record set in 1987 for the decade, the fact that sales for eight out of 10 categories of lawn and garden spending rebounded in 1989 from 1988 was a clear indication of the buoyancy in consumer spending for lawn and garden products in the United States. This is a very encouraging sign as we begin the 1990s.

Overall, 75 percent of the 92.8 million households in America, or an estimated 70 million households, participated in one or more types of indoor and outdoor lawn and garden activities in 1989. This compares with 76 percent (69 million households) in 1988 and 78 percent (70 million households) in 1987.

From 1988 to 1989, the total U.S. household population increased by 1.7 million households. These and other results of the *1989-90 National Gardening Survey* are based on the findings of 2,000 at-home personal interviews with a representative sample of U.S. households in all 50 states. Interviews were conducted during November and December 1989. This sample has a margin of error of plus or minus three percentage points.

L&G retail outlets

*Read as "Percent of L&G participants who said they purchased from (establishment)."**

	1987		1988		1989		1988 - 89 Change	
	%	$ Mil.	%	$ Mil.	%	$ Mil.		
Garden center/ retail nursery	44	31	50	35	52	36	+2%	+1 Mil.
Hardware store	30	21	28	19	36	25	+8	+6
Mass Merchandiser/ discounter	21	15	27	19	34	23	+7	+4
Feed/seed store	19	13	18	12	22	16	+4	+4
Supermarket/drug store	15	11	19	13	24	17	+5	+4
Home center	16	11	17	12	22	15	+5	+3
Mail- order	8	6	9	6	12	8	+3	+2
Other	3	2	2	1	7	5	+6	+4

*Totals do not add up to 100% due to multiple responses.

Source: National Gardening Assn./Gallup Organization

Retailers vie for consumers

Competition for sales and market share among the many different types of businesses where lawn and garden products were sold in 1989 continued to increase. Last year, the number of customers who purchased lawn and garden products increased by only 1 percent. Per capita spending was up 8 percent. Overall retail sales increased by 5 percent, while the total number of different outlets where consumers bought lawn and garden products increased by 24 percent.

This means that in 1989 about the same number of consumers spent slightly more money, but they spent it at a greater number of outlets than they have in the past. Today's lawn and garden consumers are cross-shopping more, comparing quality, selection, price, value and making purchases from a wider range and number of different retail suppliers.

Garden centers/retail nurseries continued to lead all other types of outlets in terms of total number of customers in 1989 (36 million), followed by hardware stores (25 million), mass merchandisers/ discount stores (23 million), supermarket/ drug stores (17 million), feed/seed stores (16 million), home centers (15 million) and mail-order companies (8 million).

Each type of lawn and garden retailer

The total number of different outlets where consumers bought L&G products increased by 24 percent in 1989.

saw an increase in the number of customers who purchased products from their businesses in 1989. However, some businesses saw much bigger increases than others. From 1988 to 1989, the number of consumers who purchased lawn and garden products at hardware stores increased by 6 million, mass merchandisers 4 million, feed/seed stores 4 million, supermarket/drug stores 4 million, home centers 3 million, mail-order companies 2 million and garden center/retail nurseries 1 million.

A challenge for lawn and garden retailers in the 1990s will be to maintain and build customer loyalty so that people who spend money in your store today will come back next week instead of shopping at your competitors.

Sales, participation increase overall

Of the 15 individual categories of DIY lawn and garden activities measured from 1987 through 1989, only three categories—indoor houseplants, fruit trees and raising transplants—have shown a statistically significant decline in participation. Participation rates for lawn care, flower gardening, vegetable gardening, shrub care, insect control, flower bulbs, tree care, landscaping, container gardening, growing berries, ornamental gardening and herb gardening all have stayed at the same level.

The continued increase in the total number of U.S. households has been a more important factor in determining the growth in the number of households involved in lawn and garden activities during this time period than has an increase in participation rates.

Highlights of the trends during 1989 for each lawn and garden activity are:

- **Lawn care:** 53 million households (57 percent) participated in DIY lawn care in 1989, the same number as in 1988 and 1987. Retail sales for lawn care products and equipment increased 6 percent from 1988 to 1989 from $5.3 billion to $5.7 billion. Lawn care sales in 1989 reached a record high for the 1980s.
- **Landscaping:** 22 percent of households (20 million) did landscaping in 1989, about the same number as in 1988 and 1987. Consumers spent an average of $167 for landscaping in 1989 com

continued...

1989-89 NGA survey...continued

pared with $155 in 1988 and $183 in 1987. Retail sales for landscaping were $2.6 billion in 1989, up 11 percent from the $2.4 billion spent in 1988, but somewhat less than the $2.9 billion in retail sales for landscaping seen in 1987.

- **Flower gardening:** An estimated 38 million households had flower gardens in 1989 and 1988 compared to 39 million households in 1987. Retail sales for flower gardening supplies, such as annual and perennial plants, seeds, fertilizer and related products, totaled nearly $1.9 billion in 1989 compared with $1.7 billion in 1988 and $1.8 billion in 1987. Households with flower gardens spent an average of $52 in 1989 compared with $47 in 1988 and $49 in 1987.
- **Vegetable gardening:** 30 million households grew vegetable gardens in 1989 compared with 31 million households in 1988 and 29 million households in 1987. U.S. households with vegetable gardens spent an average of $36 in 1989, $33 in 1988 and $45 in 1987. Total retail sales for vegetable gardening in 1989 were just more than $1 billion compared with $982 million in 1988 and $1.3 billion in 1987.
- **Insect control:** Retail sales for insect control products set a record during 1989. In total, consumers spent an estimated $1.1 billion last year compared with $880 million in 1988 and $979 million in 1987. U.S. households spent an average of $41 on insect control last year compared with $33 in 1988 and $39 in 1987. There were 27 million households that participated in insect control in 1989 compared with 29 million in 1988 and 27 million in 1987.
- **Indoor houseplants:** An estimated 34 million households (37 percent) grew indoor houseplants in 1989 compared with 37 million (41 percent) in 1988 and 37 million (41 percent) in 1987. Total retail sales for houseplants and supplies in 1989 were an estimated $822 million compared with $819 million in 1988 and $1.1 billion in 1987. Average household spending on houseplants and supplies in 1989 was $31 compared with $27 in 1988 and $36 in 1987.
- **Tree care:** Retail sales for tree care in 1989 were $886 million, which was well below tree care sales of $1.1 billion in 1988 and $1.3 billion in 1987. In 1989, 23 percent of households responding to the Survey, or an estimated 21 million households, indicated they did tree care during the past year, which was about the same percentage and number of households as seen in 1988 (21 million) and in 1987 (22 million). The average amount of money spent on tree care last year ($67) was significantly less than that spent in 1988 ($81) and in 1987 ($89), which is the main reason for the decline in sales in this category.
- **Shrub care:** Retail sales for shrub care in 1989 totaled $844 million compared with $853 million in 1988 and $840 million in 1987. On the average, households that did shrub care last year spent $53 compared with $43 in 1988 and $46 in 1987. The fact that average household spending on shrub care increased by 23 percent from 1988 to 1989 was able to offset a 12 percent decline in the number of households doing shrub care during this same time period. In 1989 there were an estimated 27 million households involved in shrub care compared with 31 million households in 1988 and 29 million households in 1987.
- **Flower bulbs:** Consumer spending on flower bulbs from 1988 to 1989 increased by 19 percent from an estimated $396 million in 1988 to $470 million in 1989. Sales of flower bulbs in 1989 also were higher than in 1987 when they

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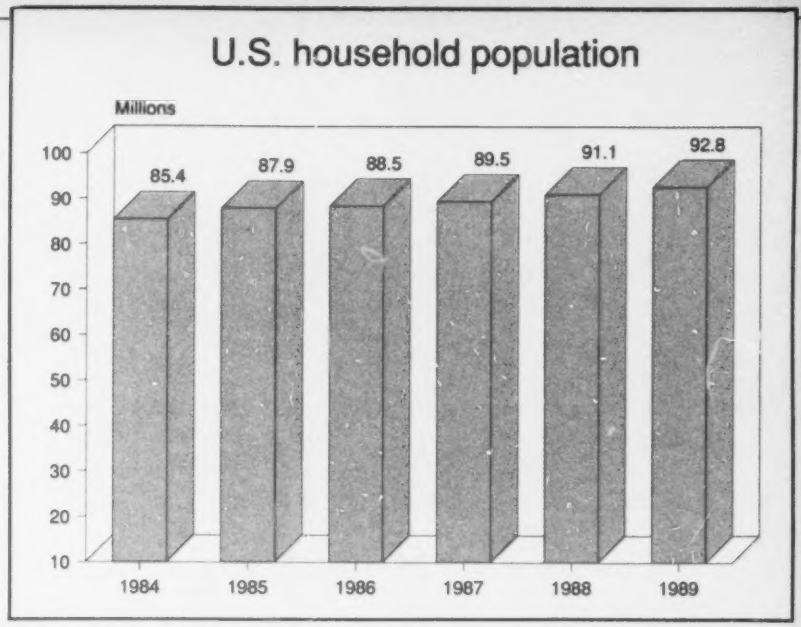

U.S. L&G households

Read as "Percent/number of households participating in L&G activity."

Activity	1987 %	1987 Mil.	1988 %	1988 Mil.	1989 %	1989 Mil.
Lawn care	59	53	58	53	57	53
Flower gardening	43	39	42	38	41	38
Indoor houseplants	41	37	41	37	37	34
Vegetable gardening	33	29	34	31	32	30
Shrub care	33	29	34	31	29	27
Insect control	30	27	32	29	29	27
Flower bulbs	27	24	24	22	23	21
Tree care	25	22	23	21	23	21
Landscaping	24	21	22	20	22	20
Fruit trees	18	16	16	15	14	13
Raising transplants	15	13	11	10	11	10
Growing berries	9	8	8	7	7	6
Ornamental gardening	8	7	6	6	5	5
Container gardening	12	11	11	10	11	10
Herb gardening	7	6	5	5	7	6
TOTAL*	78	70	76	69	75	70

*Total is the % of U.S. households that participated in at least one type of indoor/outdoor L&G activity each year. Totals do not add up to 100% due to multiple responses.

Source: National Gardening Assn./Gallup Organization

1988-89 NGA survey...continued

totaled $456 million. U.S. households spent an average of $28 on spring and summer flowering bulbs in 1989 compared with $24 in 1988 and $25 in 1987. In 1989 there were an estimated 21 million households that grew flower bulbs compared with 22 million in 1988 and 24 million households in 1987.

- **Fruit trees:** In 1989, an estimated 13 million households planted or maintained fruit trees on their properties. That compares with 15 million households in 1988 and 16 million households in 1987. Retail sales for planting and maintaining fruit trees totaled $287 million in 1989, $416 million in 1988 and $292 million in 1987. Households growing fruit trees spent an average of $33 in 1989, $42 in 1988 and $29 in 1987.
- **Ornamental gardening:** 5 million U.S. households participated in ornamental gardening in 1989 compared with 6 million households in 1988 and 7 million households in 1987. Ornamental gardening households spent an average of $70 on the activity in 1989 compared with $43 in 1988 and $91 in 1987. Total retail sales for ornamental gardening in 1989 were an estimated $266 million compared with $191 million in 1988 and $471 million in 1987.
- **Container gardening:** 10 million U.S. households gardened in containers in 1989, the same number as seen in 1988. In 1987, there were an estimated 11 million households involved in this activity. Retail sales for container gardening in 1989 totaled $240 million, $235 million in 1988 and $305 million in 1987. Container gardening households spent an average of $30 in 1989, $29 in 1988 and $33 in 1987.
- **Raising transplants:** 10 million households raised their own transplants from seeds or cuttings in 1989 and 1988. In 1987, an estimated 13 million households participated in this activity. Retail sales for supplies to raise transplants in 1989 totaled $139 million, $122 million in 1988 and $249 million in 1987. Households that raised their own transplants spent an average of $22 in 1989, $20 in 1988 and $30 in 1987.
- **Growing berries:** 6 million households grew berries in 1989, 7 million in 1988 and 8 million in 1987. Retail sales for growing berries in 1989 totaled $73 million, $57 million in 1988 and $95 million in 1987. Households that grew berries spent an average of $27 in 1989, $19 in 1988 and $22 in 1987.
- **Herb gardening:** 6 million households grew herbs in 1989, 5 million in 1988 and 6 million in 1987. Retail sales for herb gardening in 1989 totaled $58 million, $50 million in 1988 and $46 million in 1987. Herb gardening households spent an average of $13 on the activity in 1989, $14 in 1988 and $10 in 1987. **—LGM**

Household spending

Read as "Average dollar spent per household by L&G activity."

Activity	1987	1988	1989	1988 - 89 $ Change
Total	$251	$227	$245	+$18
Lawn care	$113	$112	$120	+$ 8
Landscaping	183	155	167	+ 12
Flower gardening	49	47	52	+ 5
Vegetable gardening	45	33	36	+ 3
Tree care	89	81	67	- 14
Indoor houseplants	36	27	31	+ 4
Shrub care	46	43	53	+ 10
Insect control	39	33	41	+ 8
Flower bulbs	25	24	28	+ 4
Fruit trees	29	42	33	- 9
Raising transplants	30	20	22	+ 2
Ornamental gardening	91	43	70	+ 27
Growing berries	22	19	27	+ 8
Container gardening	33	29	30	+ 1
Herb gardening	10	14	13	- 1

Columns do not add up due to multiple responses.

Source: National Gardening Assn./Gallup Organization

Retail sales

Read as "Amount of retail sales per L&G activity."

Activity	1987 $ Mil.	1988 $ Mil.	1989 $ Mil.	1988 - 89 % Change
Lawn care	$ 5,449	$ 5,342	$ 5,660	+ 6
Landscaping	2,921	2,356	2,605	+11
Flower gardening	1,777	1,679	1,857	+11
Vegetable gardening	1,253	982	1,026	+ 4
Tree care	1,253	1,140	886	- 22
Indoor houseplants	1,105	819	822	+ 0.3
Shrub care	840	853	844	- 1
Insect control	979	880	1,052	+20
Flower bulbs	456	396	470	+19
Fruit trees	292	416	287	- 31
Raising transplants	249	122	139	+14
Ornamental gardening	471	191	266	+39
Growing berries	95	57	73	+28
Container gardening	305	235	240	+ 2
Herb gardening	46	50	58	+16
TOTAL	$17,491	$15,518	$16,285	+ 5

Source: National Gardening Assn./Gallup Organization

Bruce Butterfield is the director of research for the National Gardening Assn. Each year, NGA publishes the *National Gardening Survey* based on research conducted by the Gallup Organization. The survey looks at U.S. household participation in lawn and garden activities, how much consumers spend, products purchased and other related subjects of interest. Complete survey results are published in a comprehensive 350- page report each year.

NGA is a member- supported, non- profit organization with headquarters in Burlington, Vt. Its 200,000 members receive the organization's monthly magazine, *National Gardening*, which, in addition to providing gardening information, permits members to exchange ideas and inquiries through its pages. The organization also offers members a Gardening Answer Service and Members Seed Testing Research, managed by staff horticulturists.

In addition, NGA is publisher of *Ruth Page's Gardening Journal*, a collection of programs from NGA's public radio program program, which is broadcast nationwide, and the 12- volume "Yardening" series of videocassettes. NGA is developing "Grow Lab" elementary science education programs using gardening as a hands- on learning tool.

For more information, contact NGA at 180 Flynn Ave., Burlington, VT 05401, (802) 863- 1308.

Garden centers made great strides in retail arena

According to a report from the Pennsylvania State University Cooperative Extension Service and the U.S. Department of Agriculture, sales from U.S garden centers jumped 88 percent from 1982 to 1987. The increase for all U.S. retail trade was only 44 percent.

There were 28 percent more lawn and garden supply stores in 1987 than there were in 1982. This includes businesses that added another location as well as new start-ups. The average dollar size per establishment in 1987 grew to $506,058 from $344,818 in 1982.

Sales per employee were up from $61,428 to $75,813, with the average payroll per employee increasing from $9,744 to $11,518. For every employee payroll dollar, $6.30 in sales were generated in 1982; compared to $6.58 in 1987.

Even more significant is the rise in sales per capita. In 1982, the average American spent $12.39 on lawn and garden supplies. In 1987, that figure jumped to $22.35, which is twice the increase from 1977 to 1982.

Some of these figures are taken from the official Census of Retail Trade done every five years by the U.S. Commerce Department.

Let's talk trees in elementary schools

An educational program sponsored by the American Assn. of Nurserymen, American Forestry Assn. and *Weekly Reader*, a classroom periodical, is targeting kindergarten through sixth grade students.

Teachers received a curriculum kit in January that describes global warming and the environmental benefits of planting trees. The materials suggest that teachers call on retailers to provide plant material because hands-on experience increases student interest and retention.

Teachers are being encouraged to use the lessons in April to tie in with National Gardening Month, Arbor Day and/or Earth Day. Garden centers not contacted by a teacher but wanting to participate in this program should contact Irv Siegelman at (203) 638-2400.

Point-of-sale materials increase sales

According to research by the International FlowerBulb Center of Hillegom, Holland, effective use of point-of-sale materials can boost sales of flower bulbs by as much as 30 percent. Flower bulb sales were stimulated by hanging colorful posters showing bulbs in full bloom.

Through the use of graphics and photography, easy-to-understand planting tips are communicated to the consumer. Once consumers have instructions and a four-color example of how beautiful their landscapes could be, there is an increase in the impulse to buy.

A free, full-color catalog of point-of-sale displays can be ordered from the Netherlands FlowerBulb Information Center, 162 Montague St., Brooklyn Heights, NY 11201; (718) 596-5400, fax (718) 596-4917.

Garden center profile

A recent report reveals how garden centers have grown over 20 years.

	1967	1977	1987
Sales (x1000)	$399,118	$1,590,199	$5,410,774
Establishments	3,031	6,921	10,692
Average GC size	$131,679	$229,764	$506,058
Sales per employee	$28,909	$43,735	$75,813
Payroll per employee	$4,392	$7,307	$11,518
Sales per capita	$2.02	$7.24	$22.35

Sources: U.S. Dept. of Agriculture; Penn State University Cooperative Extension Service; Dept. of Commerce, Census of Retail Trade

Peat producers sponsor promotions

The Canadian Sphagnum Peat Moss Assn. has produced a five-minute video that covers its 1990 promotional campaign. Aimed at retailers and distributors, the video describes the CSPMA program to boost sales of Canadian peat via media coverage, special events and the use of specially created merchandising items.

A four-color, six-page brochure that tells where the CSPMA intends to advertise and how retailers most effectively can tie in with this push will be mailed to 40,000 retailers. The brochure contains an order form for banners, caps and other merchandising aids.

The spokesperson for the association and narrator of the video, David Schaefer, is host of "The Joy of Gardening" which is syndicated on The Nashville Network. A cameo appearance by Jeff Ball, of "Yardening with Jeff Ball," adds to the credibility of the campaign.

The video is available from the CSPMA News Bureau at (800) 776-PEAT.

Briefs

- Pesticides again are a top priority by the Environmental Protection Agency it said in a report that compared risks and set priorities. Pesticides, especially those residual on food, are seen as a high health risk.

- Fisons Western Ltd. has changed its name to **Fisons Horticulture Inc.** Vancouver, Canada. The change comes to clarify the fact that the company serves North America.

- Gregg Wilkinson has been promoted to group sales manager of **Reemay Inc.,** Old Hickory, Tenn. John Russell was promoted to sales manager for construction fabrics and agricultural products. John Matheny is sales manager of home furnishings and apparel products. Gil Rains has been promoted to market development group manager. Ron Smorada now heads the international business division as director.

- Bert Sampson has been promoted to director of sales for **Greenview Lawncare Products,** Lebanon, Pa. Jack Weber will be sales supervisor for the North Central Division

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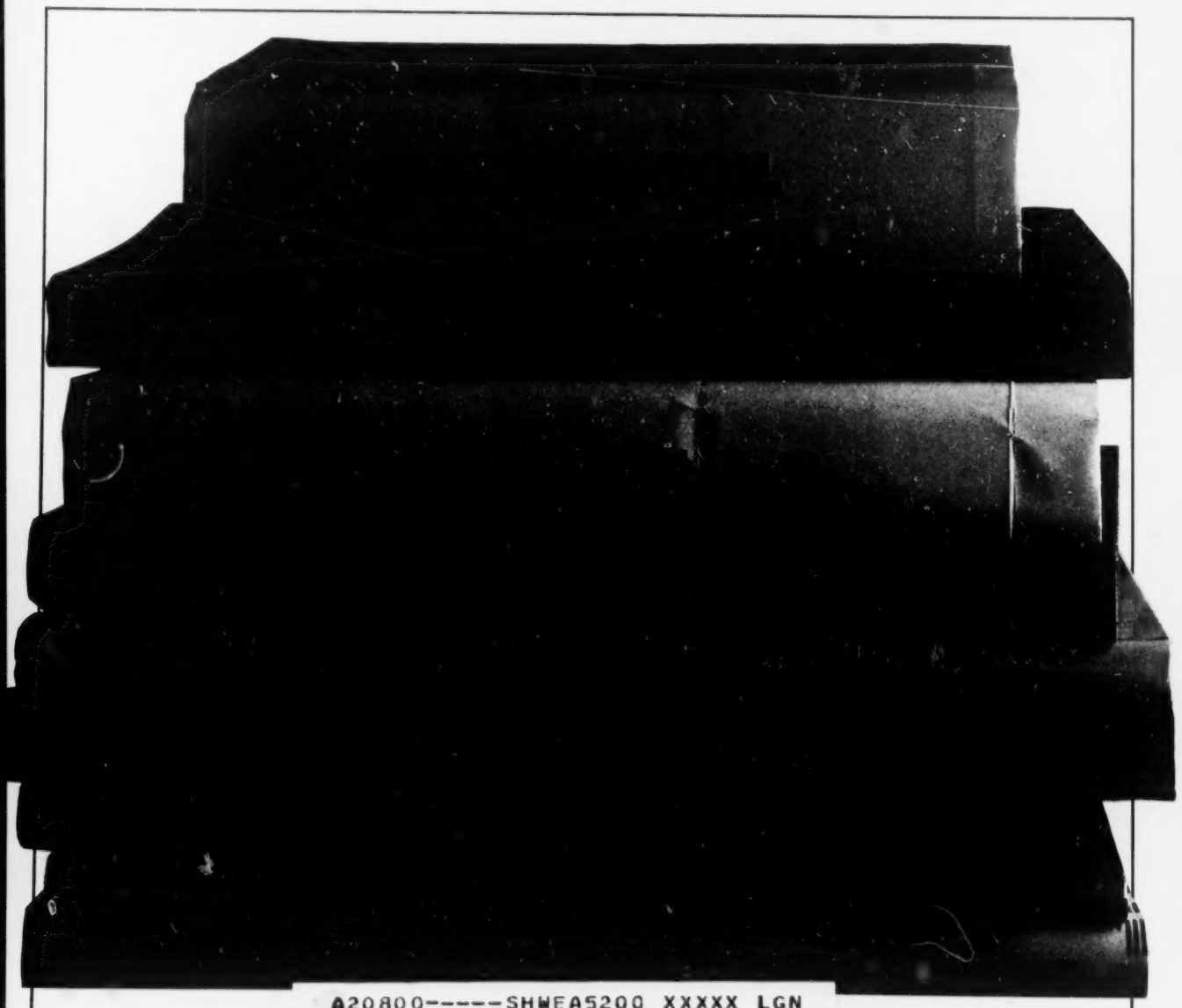
Lawn&Garden Marketing™

APRIL/MAY 1990

An Intertec publication

Cover story: 1989 L&G best sellers

New snowthrower niche • Distributor events



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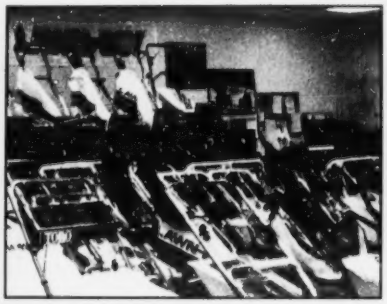

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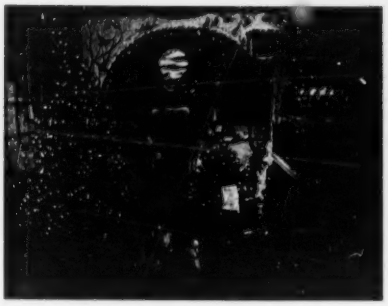

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Did you know?

Each American generates about 3½ pounds of residential and commercial solid waste daily. About 10 percent of the 150 million tons generated nationally per year consists of grass clippings, leaves and branches.

Source: Aircap Industries, Tupelo, Miss.

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L&G sales update

While product movement held steady in 1989, total sales to consumers nationwide increased by 5 percent.

By Bruce Butterfield, *National Gardening Assn.*

Seventy million American households spent $16.3 billion on indoor and outdoor lawn and garden activities in 1989 compared with 69 million households that spent $15.5 billion in 1988 and 70 million households that spent $17.5 billion in 1987.

A total of 64 million U.S. households, or 91 percent of lawn and garden participants, purchased one or more types of lawn and garden products in 1989 compared with 62 million households or 89 percent in 1988 and 65 million households or 93 percent in 1987.

These are just some of the results of the *1989-90 National Gardening Survey* conducted for the National Gardening Assn. by the Gallup Organization Inc. Results are based on the findings of more than 2,000 at-home personal interviews with a representative sample of the U.S. household population in all 50 states conducted during November and December 1989. The results of this survey have a margin of error of plus or minus three percentage points.

From 1988 to 1989, the percentage of U.S. lawn and garden households that purchased most categories of lawn and garden products stayed at about the same level. In fact, the percentage of lawn and garden households that purchased 15 out of 16 lawn and garden product categories measured in 1988 and 1989 was statistically equal given a margin of error of plus or minus three percentage points.

L&G product movement

Read as "Percentage/number of U.S. households that purchased (product category)."

Product category	1987 %	1987 Mil.	1988 %	1988 Mil.	1989 %	1989 Mil.
Nursery products	52	36	54	37	55	38
Indoor houseplants & supplies	50	35	53	37	52	36
Insect controls/chemicals	45	32	39	27	37	26
Fertilizer	45	32	44	30	42	29
Seeds/bulbs	45	32	56	39	56	39
Pet/wild bird products	45	32	49	34	49	34
Watering equipment	39	27	50	35	44	31
Outdoor living/barbecue	38	27	47	33	44	31
Garden hand tools	37	26	35	24	32	22
Soil amendments/mulch	32	22	38	26	39	27
Floral products	30	21	36	25	37	26
Power equipment	25	18	25	17	25	18
Food preservation	25	18	24	17	23	16
Plant containers/pots	14	10	19	13	18	13
Gardening information	13	09	16	11	16	11
Lawn/landscape services	09	06	14	10	12	08
None	07	05	11	08	09	06

Totals add up to more than 100 percent due to multiple responses.
Source: National Gardening Assn./Gallup Organization

As the accompanying table illustrates, purchases of nursery products, indoor houseplants and supplies, insect controls/chemicals, fertilizer, seeds/bulbs, pet/wild bird products, outdoor living/barbecue, garden hand tools, soil amendments/mulch, floral products, power equipment, food preservation, plant containers/pots, gardening information and lawn/landscape services all were about equal in 1988 and 1989.

The only lawn and garden product category that saw a significant change in the number of buying households from 1988 to 1989 was watering equipment. In 1988, 50 percent of lawn and garden households, or an estimated 35 million households, purchased watering equipment. In 1989, 44 percent, or an estimated 31 million households, purchased watering equipment. The widespread drought and unusually hot weather during 1988 is the most logical explanation of why sales of watering equipment were higher in 1988 than in 1989.

What they purchased

Nursery products were purchased by 55 percent of lawn and garden households (38 million) in 1989, 54 percent (37 million) in 1988 and 52 percent (36 million) in 1987. Best selling nursery products in 1989 included annual flower transplants (18.2 million buyers), vegetable garden transplants (16.1 million buyers), perennial flower transplants (14 million buyers), rose bushes (9.2 million buyers) and flowering trees/shrubs (5.6 million buyers).

Seeds/bulbs were purchased by 56 percent of lawn and garden households (39 million) in 1989, 45 percent (32 million) in 1988 and 52 percent (36 million) in 1987. The best selling seeds/bulbs in 1989 were grass seed (19.6 million buyers), vegetable garden seed (19.6 million buyers), annual flower seed (12.5 million buyers) and spring flowering bulbs (11.6 million buyers).

Indoor houseplants and supplies

were purchased by 52 percent of lawn and garden households (36 million) in 1989, 53 percent (37 million) in 1988 and 50 percent (35 million) in 1987. Top product purchases in '89 included potting soil/growing medium (23.1 million buyers), houseplant fertilizer (18.2 million buyers), foliage houseplants (14 million buyers), flowering houseplants (11.7 million buyers) and houseplants pots/containers (9.7 million buyers).

Watering equipment was purchased by 44 percent of lawn and garden households (31 million) in 1989, 50 percent (35 million) in 1988 and 39 percent (27 million) in 1987. The best selling products in the watering equipment category in 1989 were hose (18.2 million buyers), hose nozzles (15.4 million buyers), sprinklers (13.3 million buyers) and hose connectors (8.3 million buyers).

Wild bird/pet products were purchased by 49 percent of lawn and garden households (34 million) in 1989, 49 percent (34 million) in 1988 and 45 percent (32 million) in 1987. The best selling products in the wild bird/pet product category in 1989 were pet food (25.2 million buyers), pet care products (17.5 million buyers), wild bird feed (13.3 million buyers) and birdfeeders (6.3 million buyers).

Outdoor living/barbecue products were purchased by 44 percent of lawn and garden households (31 million) in 1989, 47 percent (33 million) in 1988 and 38 percent (27 million) in 1987. Outdoor furniture, barbecue grills, barbecue accessories, outdoor lighting and fencing topped the list in '89 with 9.8 million, 9.1 million, 8.4 million, 7 million and 6.3 million buyers respectively.

Outdoor fertilizer was purchased by 42 percent of lawn and garden households (29 million) in 1989, 44 percent (30 million) in 1988 and 45 percent (32 million) in 1987. Best selling outdoor fertilizers in 1989 included weed and feed fertilizer (15.4 million buyers), dry or granular chemical fertilizer (10.5 million buyers), liquid or water soluble fertilizer (7.7 million buyers), manure (5.6 million buyers), blood meal/bone meal/rock powders (4.2 million buyers) and blended all natural/organic fertilizer (3.5 million buyers).

Insect controls/chemicals were purchased by 37 percent of lawn and garden households (26 million) in 1989, 39 percent (27 million) in 1988 and 45 percent (32 million) in 1987. The best selling insect controls/chemicals in 1989 were RTU insect controls (12.6 million buyers), water soluble chemical insecticide (9.8 million buyers), chemical insecticide dust (7 million buyers) and herbicide/weed controls (6.3 million buyers).

Soil amendments/mulch were purchased by 39 percent of lawn and garden households (27 million) in 1989, 38 percent (26 million) in 1988 and 32 percent (22 million) in 1987. The best selling products in the soil amendments/mulch category in 1989 were peat moss (15.4 million buyers), topsoil (13.3 million buyers) and natural mulch (9.8 million buyers).

Floral products were purchased by 37 percent of lawn and garden households (26 million) in 1989 and 36 percent (25 million) in 1988. Cut flowers, silk flowers and flower arrangements topped the list in '89 with 17.5 million, 11.9 million and 10.5 million buyers respectively.

Garden tools were purchased by 32

continued...

L&G sales update...continued

percent of lawn and garden households (22 million) in 1989, 35 percent (24 million) in 1988 and 37 percent (26 million) in 1987. The best selling garden tools in 1989 were long-handled tools (9.8 million buyers), short-handled tools (9.1 million buyers), sprayers (6.3 million buyers), pruning shears/saws/loppers (5.9 million buyers) and fertilizer spreaders (4.2 million buyers).

Food preservation products were purchased by 23 percent of lawn and garden households (16 million) in 1989, 24 percent (17 million) in 1988 and 25 percent (18 million) in 1987. Canning supplies topped the list in '89 with 11.2 million buyers and freezing supplies with 10.5 million buyers.

Power equipment was purchased by 25 percent of lawn and garden households (18 million) in 1989, 25 percent (17 million) in 1988 and 25 percent (18 million) in 1987. The best selling types of power equipment in 1989 were walk-behind mowers (5.6 million buyers), chainsaws (4.2 million buyers), power string trimmers (4.2 million buyers), riding lawnmowers (2.8 million buyers), power blowers (2.1 million buyers) and power edgers (2.1 million buyers).

Plant containers/season extending products were purchased by 18 percent of lawn and garden households (13 million) in 1989, 19 percent (13 million) in 1988 and 14 percent (10 million) in 1987. The best selling products in the plant container/season extending category in 1989 were outdoor plant containers/pots (9.1 million buyers), window boxes (2.1 million buyers) and plant protectors (1 million buyers).

Gardening information was purchased by 16 percent of lawn and garden households (11 million) in 1989, 16 percent (11 million) in 1988 and 13 percent (9 million) in 1987. Garden magazines topped the list in '89 with 6.3 million buyers and garden books with 5.1 million buyers.

Lawn care/landscape services were hired by 12 percent of lawn and garden households (8 million) in 1989, 14 percent (10 million) in 1988 and 9 percent (6 million) in 1987. A total of 7 million households hired lawn care services and 1.5 million households hired landscape maintenance services in 1989. **—LGM**

L&G best sellers

Read as "Number of U.S. households that purchased (product)."

Product	Millions 1987	1988	1989
Potting soil	22	25	23
Grass seed	16	20	20
Vegetable seed garden	19	21	20
Annual flower transplants	15	17	18
Hose	19	20	18
Indoor plant fertilizer	18	18	18
Cut flowers	*	18	18
Vegetable garden transplants	15	17	16
Peat moss	10	16	15
Weed and feed fertilizer	*	17	15
Hose nozzle	15	19	15
Foliage or leafy houseplants	11	15	14
Perennial flower transplants	12	12	14
Topsoil	12	13	13
Sprinkler	*	18	13
Wild bird feed	*	15	13
RTU insect control	14	14	13
Annual flower seed	10	13	13
Silk flowers	11	11	12
Flowering houseplants	11	12	12
Spring flowering bulbs	13	12	12

Source: National Gardening Assn./Gallup Organization

* Not measured.

The 1989-90 National Gardening Survey, on which this article is based, provides detailed marketing information on the who, what, where, when and why of lawn and garden retail sales. Each year, the National Gardening Assn. publishes the complete results of the survey in a comprehensive 350-page report. For more information, contact the NGA at 180 Flynn Ave., Burlington, VT 05401, (802) 863-1308.

Seminars introduce retailers to new business strategies

This year's Management Clinic took on a new form. With mornings set aside for general topics, afternoons were filled with segment-specific information.

In his seminar presentation, "Understanding and Using Psychological Price Barriers," business consultant Ron Marciel told retailers, "It is my opinion that in the next 10 years, the industry must get more out of each product." Pricing strategies based on psychological barriers are one way to get more from your sales, he contends.

Marciel also says garden centers have focused too much on sales and not enough on gross profit margin. Some suggested ways to increase gross profit margin include:

- reduce waste by using inventory controls and purchasing theories;
- buy more intelligently;
- ask customers to pay more for product they already decided to buy;
- understand and use price barriers to your advantage;
- use variable pricing methods;
- increase customers' enjoyment when they buy from you;
- rely less on price, more on value; and
- make it easy for customer to buy from you.

With the premise that customers who shop garden centers already expect to pay more than if they shopped a mass-merchant, Marciel said "Don't disappoint them." Price accordingly.

Other well-received business sessions at the Management Clinic included some successful promotional ideas and advertising strategies offered by panels of retailers.

Other business conducted by the Garden Centers of America were elections to its board of directors. The new board consists of Leon Smidt of Earl May Seed & Nursery, Shenandoah, Iowa, as president; J.T. McCarty of Colonial Garden Centers Inc., Evansville, Ind., as vice president; and Louis Hillenmeyer III of Hillenmeyer Nurseries, Lexington, Ky., as treasurer.

Canadian peat producers elect president

The Canadian Sphagnum Peat Moss Assn. appointed Gerry Hood, founder of Hood Mfg. Enterprises, Edmonton, Alberta, as its president. Hood's primary goal will be to develop greater sales opportunities throughout North America.

Hood has been instrumental in the organizational and promotional efforts of the association since its creation in November 1988.

The CSPMA consists of 18 member companies, which account for 98 percent of Canada's peat production.

Bulbs to brighten damaged East Coast

De Groot Inc., Coloma, Mich., donated flowerbulbs to the area hit by Hurricane Hugo. The bulb grower sent the bulbs to Charleston, S.C., which in turn passed part of the bulbs on to cities including Mount Pleasant, S.C., Folly Beach, S.C., and Seabrook Island, S.C.

Approximately 80 boxes of bulbs with a retail value of $34,000 were shipped to South Carolina. They included tulips, fall bulbs and hyacinths. DeGroot specializes in production of the "Stella de Oro" daylily.

1989 fall sales survey

A Garden Centers of America survey of 1,000 member retailers showed that overall, sales were flat in 1989. A decline in Region I was attributed to general economic factors, while bad weather and the destruction caused by Hurricane Hugo were cited as the causes of the decline in Region II.

Region	% change '88 vs. '89
Region I.	- 2%
Region II.	- 3
Region III.	+2
Region IV.	+5
Region V.	- 5
Region VI.	+5
National.	0

Source: Garden Centers of America member survey

Briefs

- **Grosfillex Inc.,** has changed its address to Old West Penn Ave., Robesonia, PA 19551. The phone number is now (215) 693-5835.

- The Garden Council has selected P.M. Haeger and Associates as its new management agency. The executive director of The Council will be Andrew Eklund. The firm will handle all campaigns and can be contacted at 500 N. Michigan Ave., Chicago IL 60611, (312) 661-1700, fax (312) 661-0769.

- **SERVISTAR Corp.,** Butler, Pa., has promoted Roy Werner to Buyer of its Home & Garden Showplace℠. Werner will be assisting Tim Yungman in developing greengoods vendors for the program.

- **The Interior Landscapes International Corp.,** Boston, has elected its 1990 officers. John Mini is chairman; Roger Cheever is vice chairman; Michael Baron is president; Ben Veldkamp III is treasurer; and Carole Horowitz is secretary.

- **Gro Group Inc.,** Bedford, Mass., re-elected Victor H. Foster president, and elected Frank G. Kolley vice president, James Beckmann secretary and Richard Lessans treasurer. Also serving on the executive committee are Past President Tom Wetsel, Executive Vice President Charlie McColough and Don Hyatt.

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Cover story: Mapping out industry shows

Serving older customers • Legislative report

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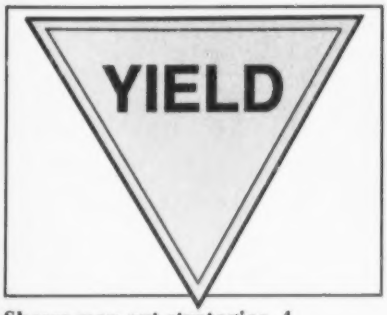

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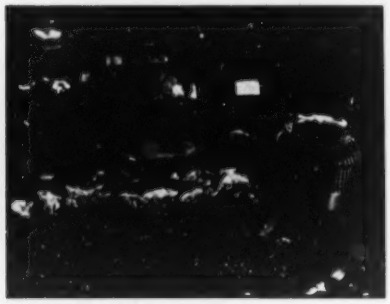

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Did you know?

Grass clippings make up 75 percent of yard waste; leaves contribute 20 percent; and branches and brush add 5 percent. Grass clippings and leaves account for as much as 50 percent of the waste sent to landfills during the growing season.

Source: Briggs & Stratton/American Red Cross

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How consumers use and view pesticides

When giving an unaided response, 59 percent of consumers ranked effectiveness as the most important factor they consider when buying a pesticide; 33 percent said safety was most important. These results are from a recent study for DowElanco, Indianapolis.

The national study was conducted by phone. Of the 1,100 households contacted, 500, or about 45 percent, had used a commercially prepared pesticide. The remainder of the study was based on that group

The study also asked respondents to rate the importance of particular characteristics. Under these circumstances, users rated "safe for family and pets" first and "biodegrades/environmentally safe" second, demonstrating the difference between top-of-mind responses and socially acceptable responses.

Although manufacturers and retailers generally perceive that consumers use pesticides in a more preventive than reactive way, results disprove the notion. Seventy-three percent said they use pesticides in response to a problem, while only 27 percent said they use products to prevent insects from becoming a problem.

With the trend toward environmentally safe products, one might assume that use of organic pesticides would be high. Although 77 percent said they didn't use or didn't know if the product they used was organic, 49 percent said their desire to use organic pesticides was increasing. Forty-five percent indicated no change in their attitudes to use organic products.

DowElanco presented the results at a recent media forum where consumer garden writers and broadcasters gathered to discuss the public's perception of pesticides.

Briefs

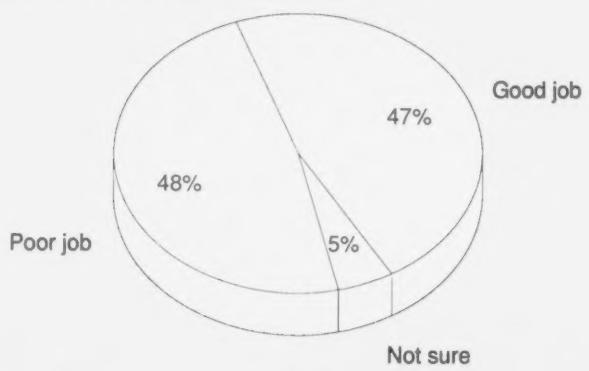
• The Foliage for Clean Air Council is taking its message "Plants are Healthy" on the road. Dr. Bill Wolverton of NASA will speak about the air-cleaning effects of common plants in cities this summer and fall. For more information, contact Martha Lindauer at 405 N. Washington St., Ste. 104, Falls Church, VA 22046; (703) 534-5268.

• The Environmental Protection Agency states there is no clear-cut evidence that malathion causes cancer. The statement is based on what the agency calls a "considerable amount of data." The statement is in response to concerns about use of the chemical to control the Mediterranean fruit fly in Southern California.

• Ian Baldwin, retailing columnist for *Lawn & Garden Marketing*, will speak at a recognition dinner for SERVISTAR's Home & Garden Showplace® Market on June 26, as well as host a seminar on June 25.

Government control of pesticides

When asked "On the whole, would you say the federal government does a good job or a poor job of protecting consumers from pesticides and other chemicals in fruits and vegetables that may be potentially harmful," consumers were split in their opinions.



Source: 1990 *Organic Gardening*/Harris Poll

Growise Centers near 500 mark

Growise Centers, a marketing group of independent lawn and garden retailers, soon will have 500 members.

According to Charles McColough, executive vice president of the Gro-Group, Growise Centers join independent, local professionals in an organization that provides them unified marketing and purchasing, while at the same time allowing them to retain their status as neighborhood garden centers that offer advice, service and information on local conditions.

Koos meets demand

While sales in some product categories were down this winter, sales of at least one product soared. Due to ice storms that swept most of the country in December and January, orders for Safe Step® icemelter ran 100 percent greater than any previous period.

In order to meet the demand, Koos had to step up its production from five 20-hour days per week to seven 20-hour days.

As a result of the boom, the company has boosted production capacity with new equipment and techniques. It added new mixing and bagging lines in order to increase output for the 1990 season and initiated an improved distribution system. A strategically located satellite facility with full-pallet emergency storage capacity has been added for quick response time.

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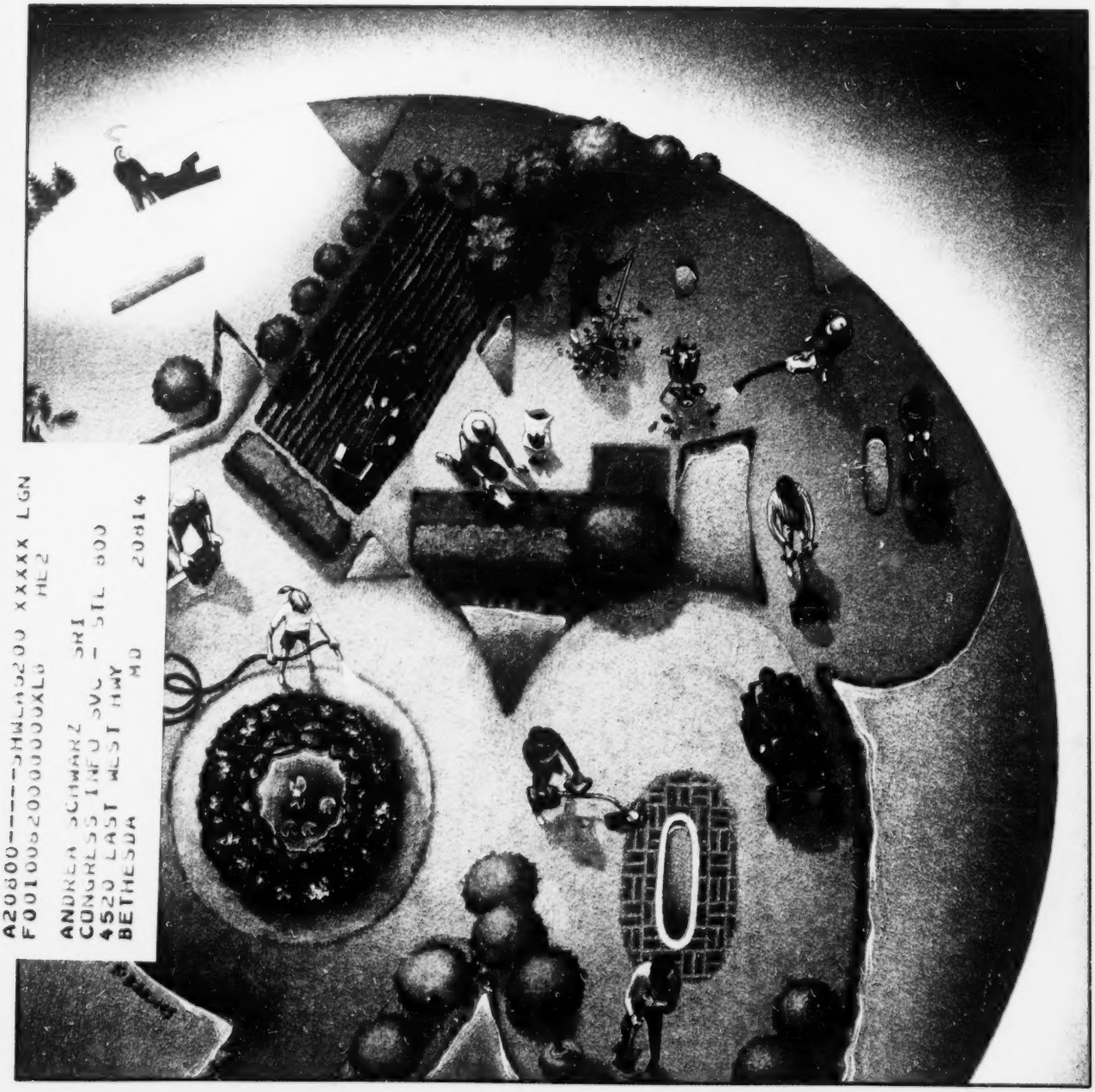
Lawn&Garden Marketing™

JULY 1990

An Intertec publication

Cover story: World of outdoor products

Innovative products • Increasing gross profits



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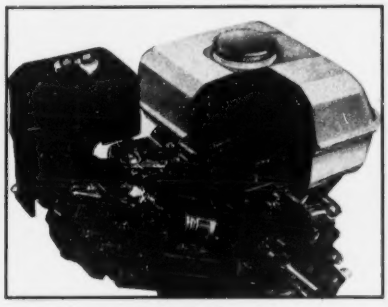

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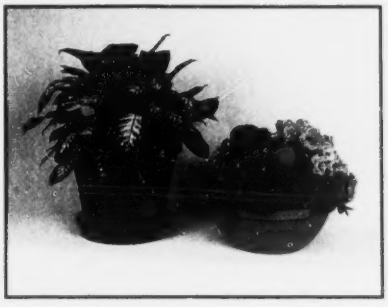

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Now in its second year, the Innovative Products Awards contest represents an even bigger and better world of lawn and garden products. 18

NAEDA/GMA connection

The North American Equipment Dealers Assn. is sponsoring a trip to The GMA Show in London. Reservations must be made by July 18. 52

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Following is an alphabetical list of the manufacturers who will be exhibiting at Expo 90; it includes their booth numbers. 53

Cover illustration by Karen Barnes. "From the Editor" photo courtesy of Landscape Industries Inc., Clearwater, Fla.

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A number of the products that will be on display at Expo 90 can be seen on these pages. 46

Did you know?

An estimated 25-35 million acres are covered by lawns and other maintained turfgrass areas in the United States. That's an area equal in size to Maine, New Hampshire, Massachusetts, Connecticut, Vermont and Rhode Island.

Source: The Lawn Institute

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O.M. Scott and Sandoz ally for the environment

Sandoz Crop Protection Corp., Des Plaines, Ill., has joined with The O.M. Scott & Sons Co., Marysville, Ohio, to develop and market a biological line of products for home gardens and lawn care in the United States and Canada.

Under the agreement, Sandoz research and development will provide biological products to Scott for inclusion in a newly developed natural product line. The line initially will include biological insecticides, and eventually will encompass products based on naturally occurring insect viruses, bacteria, protozoa and natural plant extracts to control lawn and garden pests.

Sandoz presently sells biological products to farmers for controlling gypsy moth infestations across North America and caterpillars and Colorado potato beetles in fruit and vegetable crops. "Some of our ongoing advanced technology development and many of our existing products can be readily applied to home lawn care and garden use," says Dale A. Miller, Sandoz president.

The joint venture will create an opportunity to find other natural materials that can be used to control garden pests, meaning that consumers will have access to these natural products soon.

The project will be administered by management and business development committees containing representatives from each company.

Guidelines placed in response to public concern

The National Bark and Soil Producers Assn. has initiated a certification program for soil products in response to an article printed in a national newspaper that sparked public concern over the quality of products being offered as planting mixes, top soil and other growing media.

The program, established after a yearlong investigation, is based on a series of product terminology and labeling guidelines. Included in the "Soil Product Labeling and Nomenclature Guidelines" are uniform definitions of compost, humus, manure, peat, peat moss, planting mix, potting and top soil.

Guidelines for mulch products were adopted in 1988.

Briefs

• John Stone was promoted to president of **Opus**, Bellingham, Mass. Stone will manage all facets of the business.

• Joseph A. Ippolito has been appointed to national accounts manager at **Teknor Apex Co.**, Pawtucket, R.I. Russell J. Frink has been added to the staff as sales manager-east region.

• The American Assn. of Nurserymen will present four management conferences at five industry trade shows beginning in August. The Seminars will include "Foremanship Training," "Keeping Financially Fit in the '90s," "Effective Garden Center Management" and "Retail Marketing for the '90s." For more information contact: AAN Regional Management Conferences, 1250 I St. N.W., Ste. 500, Washington, DC 20005; (202) 789-2900, fax (202) 789-1893.

• The Environmental Protection Agency has approved the registration of Sevin® brand carbaryl insecticide for control of deer ticks and other ticks identified as carriers of Lyme disease.

• The United States patent office granted **Colorite Plastics**, Ridgefield, N.J., a second patent protecting the concept of internal ribbed construction in garden hoses. The patented construction enables water to keep flowing regardless of kinking, twisting or bending in the hose.

• **Ortho Consumer Products**, San Ramon, Calif., was presented two silver awards, one for advertising and one for marketing, at the National Home Center Show in Chicago. The marketing award was based on results of a national poll of retailers in which they voted for the suppliers who provided the best marketing support. The advertising award was presented for Ortho's Kleenup billboard titled "Take Up Speed Weeding."

• **Cooke Products**, Portland, Ore., has selected Tom Pope as regional manager of Northern California and Pacific Northwest territories.

• The Canadian Sphagnum Peat Moss Assn. has provided a series of how-to gardening articles to 300 major U.S. daily newspapers, 7,000 U.S. suburban and 500 Canadian newspapers in order to educate consumers on the uses of peat moss. The series includes illustrated stories on subjects such as building good soil, xeriscaping, and planting gourmet vegetables and perennial flowers.

Pennsylvania garden centers

A recent report reveals how garden centers in Pennsylvania compare to the national average. National totals are in parentheses.

	1967	1977	1987
Sales (x1000)	$18,755 ($399,118)	$76,004 ($1,590,199)	$250,724 ($5,410,774)
Establishments	155 (3,031)	327 (6,921)	487 (10,692)
Average GC size	$121,000 ($131,679)	$232,428 ($229,764)	$514,834 ($506,058)
Sales per employee	$34,796 ($28,909)	$50,334 ($43,735)	$81,193 ($75,813)
Payroll per employee	$4,427 ($4,392)	$7,229 ($7,307)	$11,125 ($11,518)
Sales per capita	$1.61 ($2.02)	$6.42 ($7.24)	$21.01 ($22.35)

Sources: U.S. Dept. of Agriculture; Penn State University Cooperative Extension Service; Dept. of Commerce, Census of Retail Trade

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Reports on: National Hardware Show Supplemental products • 50-plus market

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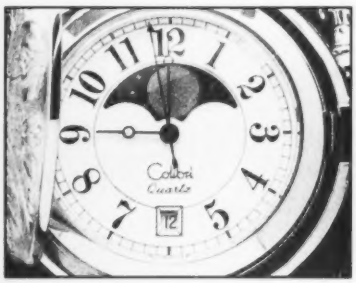

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Time is money
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Supplementary products offer opportunities
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To help you make the most of your time while attending the National Hardware Show in Chicago, here is a list of exhibitors with their booth numbers. 36

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Cover photo by Kevin Anderson; watch and chain courtesy of Westminster Chimes Clocks, Kansas City, Mo. "From the Editor" photo courtesy of Rickel Home Centers.

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Did you know?

Grassy areas absorb noise. Studies show that grassed slopes beside lowered highways reduced noise by 8-10 decibels.

Source: The Lawn Institute

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Targeting 50-plus consumers

With the awareness that America's population is aging, lawn and garden marketers can take advantage of the shift by knowing how to service this growing segment of avid gardeners.

By Judith Berzof, *editorial contributor*

The saying, "You're not getting older, you're just getting better," has special meaning to the lawn and garden industry. A large portion of the American population is entering their prime lawn and garden buying years—those years in which they are most likely to invest in power equipment or to pursue lawn and gardening activities.

This "graying of America" poses special opportunities for industry manufacturers and retailers. However, many are sailing cautiously in uncharted waters, fearful of alienating people by specifically targeting an older market.

While the group on the leading edge of both lawn and garden participation and purchases is the fast-growing segment of people aged 30 to 49, Americans 50 and older aren't far behind. The 30- to 49-year-old group represents 41 percent of those who engage in lawn and garden activities, and the 50-plus bracket represents 38 percent, according to the *1989-90 National Gardening Survey*. The older consumers account for 26.2 million households that chalk up about 33 percent of lawn and garden sales for a total retail value of $5.4 billion.

According to the report *Aging America*, between 1985 and 2050, the total U.S. population is expected to increase by one-third, while the 55-plus population is expected to more than double. "If current fertility and immigration levels remain stable, the only age groups to experience significant growth in the next century will be those past age 55," the report says.

More than a quarter of the total U.S. population is expected to be at least 55 years old, and one in seven will be at least 65 by the year 2010, due mainly to the maturation of the Baby Boomers. By 2030, one in three people is expected to be 55 or older, and one in five will be 65-plus.

50-plus appeal

In targeting the 50-plus market, businesses might try to fill "niches of need," which include home and leisure activities that enhance well-being or provide new experiences.

Lawn and garden activities appeal to those caught up in the fitness boom—as well as those who lead more sedentary lives—and offer opportunities for people over 50 to participate in activities that can be invigorating or relaxing.

Older people are more avid gardeners, perhaps because they may not have job pressures and, therefore, have more free time to spend outdoors and enjoy the exercise that outdoor activities provide, says John Flannery, product manager for Ames, Parkersburg, W.Va.

"Our limited studies show they tend to buy a higher quality item that goes the distance, instead of something that is thrown out the next season. They expect to buy something once that will last," he says.

A new Ames Lift-Right snow shovel that features a bend in the handle allows

Gardening participation by seniors

(Read as: "Percent" of "Age Group" who garden "Frequency.")

Frequency	Under 55	55-64	65-75	75+
Weekly/3 times per month	27%	36%	39%	40%
1-2 times per month	16%	16%	14%	7%
Once in 2-3 months	10%	9%	5%	7%
Once in 4-6 months	11%	9%	8%	6%
Once a year	10%	9%	7%	8%
Never	27%	21%	27%	34%

Source: Management Horizons, Division of Price Waterhouse, 1989

people to shovel snow without bending over as much and eliminates some back strain associated with this chore. The product was not aimed specifically at the 50-plus market but has obvious benefits for people who wish to avoid back strain, many of whom could be older. The company may introduce hoes and rakes with the same feature if research determines it offers genuine benefits.

Mike Isser, president of Isser and Associates, a public relations firm that works with Ames and several other companies in the industry, says older purchasers represent "a tremendous market that smart manufacturers and dealers can play up with certain messages and bring in sales. Although some of these people are on fixed incomes, they are the ones who have homes and like to care for them."

Ames tools with non-metal handles, and wheelbarrows and hose reels made of plastic, provide opportunities for retailers to reap sales by steering older customers to these products. Since the non-metal products are lighter and non-corrosive, they might be particularly attractive to these gardeners, Isser says. POP signs and displays form a vital link when selling to 50-plus consumers because "they have to be convinced. They need product information," he adds.

Ortho Consumer Products/Division of Chevron Chemical Co., San Ramon, Calif., is among those firms that do not have a formal program to reach 50-plus consumers but do cover the area as a market through advertising.

According to John Brex, marketing manager, "We recognize all segments of the market as being important. I feel uncomfortable saying someone 55 is more important than someone 50 or 48." He says the company, however, is in the process of evaluating a special communications program that would facilitate use of the product by the 50-plus market, as well as other market segments.

Marketing strategies still youth-oriented

The lawn and garden industry isn't a laggard in targeting the 50-plus market. Despite the recognition of the buying clout of this group, industry in general has not developed specific strategies to reach them, according to George P. Moschis, director of the Center for Mature Consumer Studies at Georgia State University. Once a company does decide to go after the older consumer, it may cloak its efforts in secrecy to confuse competitors.

"Traditional studies are gathered for people in the 24 to 49 age group. Just 10 years ago, business became aware of this potential [50-plus] market, but not enough progress has been made in getting the information out about it, and sometimes the information is contradictory," says Moschis.

Awareness of the older market has grown in the last few years, especially with the realization that the Baby Boomers will begin turning 50 in the year 2000, although the market is generally still youth dominated, explains Treesa Drury, director of advertising standards for American Assn. of Retired Persons. Marketing strategies should segment the diverse, older audience, recognizing that it is made up of many different groups, she says.

Although people over 50 may be living in condos or retirement communities where their overall landscape needs are taken care of, says Paul Duval, manager of marketing services for A.H. Hoffman, Landisville, Pa., they still may grow roses and flower and vegetable gardens. From a gardening standpoint, they are one of the strongest consumer groups, he says.

Eventually, the company may target this market, but presently it tries to appeal to all age groups in its advertising. The firm's latest trade ad depicted a man in his 60s and a woman in her 40s with a 13-year-old daughter.

The company does communicate often with 50-plus consumers when it provides information to garden clubs, whose members coincidentally are members of this age bracket. The very nature of A.H. Hoffman's products, which are small-sized and light-weight packaged goods, might make them attractive to this group, Duval says.

Steve Moore, vice president of marketing for Homelite Division of Textron, Charlotte, N.C., says many of the company's products currently are positioned in the premium mower segment aligned with the demographic group that is likely to have bigger homes and more acreage. "We will be looking at people with more discretionary income who want step-up products that have a longer life," says Moore.

continued...

55-plus market profile

The diverse, changing 55-plus market represented about $900 billion in consumer spending in 1988, according to a study titled *55 PLUS: Volume I*, done by Management Horizons, a division of Price Waterhouse, Dublin, Ohio. "Retirement will no longer be viewed as the end of a career, but rather the beginning of a lifestyle characterized by independence and alternative options," the report states.

The study found that the high rate of homeownership among the 50-plus group creates opportunities for marketers of household goods who have been capturing only a small portion of the discretionary spending of this age group. Because seniors do not move as often as other consumers, there is opportunity for building customer loyalty. They are more concentrated in New England, the Midwest, Hawaii, Florida, Arizona and Oregon, and as such, can be geographically targeted more easily than other segments.

The second volume of the report found that gardening was the fifth most frequent activity participated in by those 55 and up, following attending a religious service (No. 1), reading, eating out and listening to music. Some 36 percent of those 55 to 64 are likely to garden weekly or three times a month, the study found. Of those 65 to 75, nearly 39 percent are likely to garden at that rate, and almost 40 percent of those 75 and older participate at that level.

Seniors also are receptive to catalog shopping, and garden catalogs have appropriately targeted seniors as a population by offering tools, plants, knee rests and small chairs, says S. Amanda Putnam, an author of the study.

Despite the fact that they are avid gardeners, the study found that members of the 55-plus market shop at lawn and garden centers less often than their younger counterparts. "First, they've passed the acquisitive stage of their lifestyles. Major purchases like trees and shrubs have already been made, and they

continued...

50-plus consumers...*continued*

Like others in the industry, Homelite is marketing products that are lighter weight, highly maneuverable and more user friendly than past models. These are likely to appeal to the older population, the increased numbers of women performing yard work and also fit the "Boomers-on-the-go lifestyle," he says.

Homelite markets a light-weight hedge trimmer and a light-weight blower with "down-the-tube" exhaust that keeps fumes away from the user. A new product that fits in this category is a water pump that is lighter than 10 pounds—20 pounds less than similar models—which can be used as a pressure washer, in pool maintenance or to pump out flooded basements.

Another company recognizing the importance of 50-plus purchasers is Duraco Products Inc., Streamwood, Ill. "We have been promoting container gardening through publicity releases. You can do it from a wheelchair, standing or sitting. You don't have to be outside fighting weeds," says Marci Wilson, manager of advertising and sales promotion.

A 1988 study of planterware done for Duraco found that nearly 19 percent of those keeping plants in 1988 were 65 and older, an increase of almost 8 percent from 1975. The largest number who kept plants were those aged 35 to 49, who accounted for almost 29 percent of those who kept plants in 1988, a 6 percent increase from 1975.

To promote container gardening, Duraco offers a "plant lab" kit. Although it was designed for elementary school children, a similar kit may be developed next for use by 50-plus groups, Wilson says. Container gardening is particularly applicable for older gardeners because it's easy to do and doesn't take up much space. "They can put the container on a balcony and still have the thrill of digging in the dirt, but they don't have to get down on their knees and worry about how to get up," she says.

Keys for retailers

A recent survey of the 50-plus market by the Center for Mature Consumer Studies sponsored by the AARP Andrus Foundation has several implications for both retailers and manufacturers. The study found that using older characters in ads may not be as effective among older people as it is usually assumed for several reasons. "They deny old age and don't identify with it. If a person is 69, for example, in their own mind they are not old," says Moschis.

The survey found that older adults favor products and services designed and promoted as products for older people, as long as this is done in good taste. However, current marketing efforts often alienate older people instead and don't appeal to their needs, he says.

"One of the problems is that marketers are not aware of the needs of older groups. The average age of the creative director on Madison Avenue is 32," says Moschis. Due to the intense brand loyalty 50-plus consumers exhibit, money-saving incentives are not likely to be as effective with them as with younger shoppers when they are used in efforts to market new products. The study also found older adults are more loyal to stores they patronize and are more likely to expect and use a variety of services from stores.

"Although seniors will watch newspaper ads for sales and clip coupons, they won't do so for products outside the range of the brands they buy," says Moschis. Of striking importance to the small retailer, who may not be able to meet the price of the mass-merchandiser, the study found that 50-plus consumers are more likely to sacrifice price for locational convenience.

Older people "do tend to like service. They remember when [attendants] would put gas in your car and wipe the windshields too," says Drury. However, she disputes the general assumption that older people stick with products they used when they were younger, although AARP studies have found them to be loyal to banks and AT&T. "You do have to give older people a better reason to change than just for the sake of changing," she says.

This need for service easily can be met by the independent retailer. Jane Garrison, president of Garrison Gardens in Dallas, says the three Garrison stores serve older customers in ways mass-merchants never could. The average age at one of her stores in an older neighborhood is 60. "Senior citizens are more into gardening than people in other age groups, and we're located where they're located," she says.

The company's marketing niche is repeat business for bedding plants, fertilizer, replacement shrubs and similar merchandise. To keep 50-plus customers coming back, Garrison Gardens offers service, service and more service.

"We carry everything out for them and put it in their cars," says Garrison. Even though they may not be doing the work, older gardeners still like to pick out the merchandise. Employees will carry out a selection of merchandise to the car for people who perhaps are recuperating from surgery and are unable to come into the store to shop. "These are people we know and like, and whatever we can do to keep them as customers, we do," she says. **—LGM**

Market profile...*continued*

also do a lot of catalog shopping," says Putnam.

The 55-plus population is more adverse to risk than the younger market, putting more stock on store reputation, product guarantees, adequate information and well-known brands than the younger market, the study found.

Seniors also are more self-sacrificing and less impulsive than the younger market and are more likely to spread purchasing decision over a long period of time and do more comparison shopping.

"Because seniors don't like to be singled out as being old and needy, transgenerational products that have appeals crossing generations" are successful in reaching this market, says Putnam. "A lot of tact is entailed in the types of ads and promotional materials that you would put together to target this group," she says.

When showing pictures of products being used, advertisers should select people in their 50s and 60s, not in their 70s and 80s, she says. Down the road, marketing to Baby Boomers over 50 could be even trickier. "No Baby Boomers ever will be thought of as old. They'll be back in the 1960s forever," she says.

The report suggests retailers and manufacturers take the following steps to meet the needs of senior consumers:

- Offer packaging that's easy-to-read and easy-to-open with pictorial directions when appropriate.
- Design products with ease of operation in mind. Include large dials, simple and readable operating instructions and other features that accommodate loss of vision and hearing and slower reflexes.
- Use communications that accommodate a slower processing of information. Self-paced media like print are effective.
- Train salespeople to be sensitive to the needs of the mature consumer without sounding patronizing and reminding the mature consumer of his or her age.
- Relate product features to benefits of importance to the 55-plus market, such as comfort, safety, convenience, reliability and familiarity.